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Look to Your Moat

THIS is the open season for Nazi menaces. By every channel that Goebbels' ingenuity can devise the threats are being uttered. The barges are ready in the Danube and in the French ports ; the Stukas are waiting in Sicily and along the whole Continental coast; the bombers are being loaded up; the submarines are being fuelled ; the poison gas tubes rolled out ; the invading divisions paraded. It is the most deadly Armada the world has ever known, and its size and weight are daily being magnified by rumour and report, by artful suggestion and " neutral " comment. Hitler's speech to the Reichstag last week was a distillation of the whole concentrate of envy, hatred and malice. There will be no moderation or reticence in the blows that he has in store for us this year. He knows that 1941 may well be his last chance to win the war. We can be sure that he will stop at no devilry, that he will set no limits to the scope of the slaughter or to the magnitude of the resources he will throw into the attack. There will be no mercy for any of us in the onslaught—and still less if it should succeed.

It is as well that this should be realised. After the miracles of 1940, it was only natural that some grateful illusions should be cherished, and there were those in October and November who allowed themselves to think that the worst was passed, that the famous corner had once more been turned. It is Mr Churchill's greatness as a leader that, just as he never abandoned his hopeful confidence in the summer, he has never relaxed his vigilant warnings during the autumn and winter. Causes for rejoicing have been many: the brilliant offensives in Africa ; the astonishing changes in American opinion and policy; the defeat of the day bomber. But these gains have been sideshows, or hopes for the future, or avoidances of disaster that might have been. None of them affects the prospect that, for many dreary months to come, we shall remain on the defensive. Each of them swells the hope of ultimate victory ; none of them alters the fact that we can lose the war in 1941.

To the nation that kept its head all through 1940, there is nothing in this prospect to appal, but there is much that calls for resolution from the many and for clarity of vision from the few. There are two places where the war might be lost this year—the invasion beaches and the trade routes of the North Atlantic. In the war on shipping Hitler has already promised to do his worst ; the chances of invasion rest on his generals' estimate of the risks—and perhaps on his own desperation. But whether they come or not, these are the two dangers. There are many ways of winning the war, but only these two of losing it outright. Let us, then, not neglect any of the multitudinous tasks of preparing the victory and planning the peace —but let us fix our most watchful attention on the seas and the coasts. Once again, as in many past years, the watchword must be Halifax the Trimmer's : " Look to your Moat."

It is a high duty and privilege that fall to the British people this year. No one can help us very much. We shall get planes from America, perhaps some ships ; but the flood of American material will not begin to be ready until the battle of 1941 has been won and lost. Civilisation has only one champion this year, and for the contest of the spring almost all the cards are already on the table. The people of Britain must—and do—have confidence in the leaders who will have to play the hand, and there will be no hesitating or complaining among any whose orders are to throw away their tricks so that the game may be won.

The Shakespeare Cliff and the seaways of the ocean —these are the bastions that must be held. They are symbols of the strength, the spirit and the wide freedom for which Britain has always stood, and will always stand, in the world.

Lares and Penates

AMONG the many assaults which the enemy has made upon civilian life and property, the damage sustained by personal chattels is neither the most devastating nor the most vital. None the less, the elementary accessories of living—pots and pans, beds and tables—have an important if indirect influence on work and output, and their destruction on a large scale must to some extent hamper the national war effort. The most outstanding fact about the total loss of these household possessions is that either they must be replaced or their losers must find a new way of living. The immediate official solution, described in the pamphlet issued by the Ministry of Home Security, "After the Raid," is to encourage the benighted persons to find lodging with neighbours or, failing this, to apply to a Government rest centre until arrangements can be completed for billeting or evacuation. This scheme meets the immediate need for accommodation; but it also raises a number of social problems, if it is proposed as anything more than a temporary measure. In the long run certainly, and in the short run probably, the aim of ninety-nine bombed-out persons out of a hundred is to replace their household belongings and to carry on as before. Lodgings and billets are not home—which is more a question of efficient living than just of sentiment; and to forbid replacement would raise more social difficulties than the economic problems which might thereby be solved.

From the more general standpoint of war economy, this general desire to replace goods lost in air raids does, however, set a serious problem. As stocks of furniture, linen, crockery and cutlery, not to mention clothing, become exhausted, the replacement *en bloc* of the ordinary adjuncts of living for thousands of unfortunate persons will cease to be compatible with the concentration of productive forces on the output of munitions. There is, rightly, little possibility that labour and materials will be deflected from their task of equipping the armed forces, and it must be expected that personal and household chattels of all sorts will become exceedingly scarce.

In consequence, it will become more and more important that the task of distributing such supplies as do find their way into the shops should no longer be left simply to chance and the somewhat maimed operation of supply and demand. Most of the goods needed to re-equip homes and hostels are, of course, already within the scope of the official orders which sharply limit supplies to manufacturers producing for consumption purposes. Office equipment, too, falls into the same class: the output of typewriters is limited to 25 per cent. of output in the six months ended May 31, 1940; secondhand machines are practically unprocurable; and the purchase of new machines by City firms whose office equipment was destroyed in the London fire on December 29th has been a matter of extreme difficulty. The restriction is inescapable; but it is obviously undesirable that these firms should be deprived of typewriters they cannot do without, because machines have been acquired by firms for whom they are not an imperative necessity. In the same way, there is a case for preventing the purchase of household goods except by persons who can show good cause: those who have been bombed out; or, as in Germany, persons about to marry and set up a new home, or those who are expanding an existing home to keep pace with an increasing family. In all these cases, distribution could be simply regulated by the issue of special permits to buy. The fact is that some control of *retail* distribution for those articles whose *production* and *wholesale* distribution are already regulated by the Government is essential in every case where it is important to ensure that real needs are satisfied.

Where a reasonable proportion of furniture can be salvaged from the wreckage, there is obviously a strong case for replacing only the most essential losses. Most households could carry on their existing method of life without a considerable proportion of their existing possessions and *bric-à-brac*—the grandfather clocks, the pictures on the walls and the umbrella stands; but probably very few of the people who have suffered from bombing realise that it is a national duty to live without these treasures until the war is over. The general impulse—among those who can afford it—is to replace most things while present stocks last, and, for many, replacement is made possible by higher money wages. It is this consideration, too, which underlines the true iniquity of outbreaks of looting. This wartime crime—burglary in bombed premises—is subject to penalties which, for the English legal system, are unusually severe—primarily, no doubt, because of the exceptional opportunity which air raids provide for the disturbance of public order by desperate characters. But, from the economic and financial standpoint as well, looting must have very grave consequences. By exacerbating the shortage of domestic goods and increasing the general pressure to replace them, it clearly places an enhanced strain on the system of production and distribution for civilian needs, and it powerfully raises the propensity to spend instead of save.

Indeed, in a system where production is controlled, the effect of these fortuitous purchases is most marked in the monetary sphere. If the damage is voluntarily insured under the Government's war damage scheme, compensation will be delayed until the end of the war, and funds for replacement now have to be found from the individual's current resources; and this means, not only that the German bombers have been responsible for an important and undesirable increase in the demand for consumption goods, but also that they have caused past savings to be realised. Moreover, it is probable that loss from enemy action is one of the most important deterrents to saving; in technical language, the velocity of the circulation of money is increased just when it is least desirable. If economic loss is not to be added to social loss, the public must be urged, not only not to realise their investments or to spend insurance moneys, but also not to acquire new household possessions, except in cases of the most unmistakable necessity.

The pill can be sugared in a number of ways. The voluntary principle could be called in to inspire the collection of freewill offerings of chairs and tables from those who have them, for sale at nominal prices to those who have not—the proceeds being donated to Lord Beaverbrook or some other deserving object. Again, it might be pointed out in, say, the advertisement columns of the daily and weekly Press that replacement, so long as danger from the air continues, runs the risk of second loss, while new or continued lending to the Government lays up treasure for the future, when the absorption of post-war unemployment will become a national necessity. And for those who must buy, let them buy in moderation and with the knowledge that dwindling supplies are not exposed to the competition of frivolous or hoarding purchases.

This problem of the household's goods and gods is only one aspect of the complexity of monetary and production policy in time of war. But it is a very practical problem, and its timely exposition by the authorities might prevent an irritating and wasteful muddle. If, before the comparative lull of the winter months comes to an end, the public could be advised about the course to follow when replacing their homes, there would be much less danger of an acute scramble for goods when a new air offensive begins, accompanied by sharply rising prices and a decline in the total of national savings.

Emergency Powers

MEMORIES of D.O.R.A. were fresh enough for the passing of the Emergency Powers (Defence) Act on August 24, 1939, to be taken as a matter of course. Yet, though the object of both Acts was the same—to confer extraordinary powers on the Executive for the prosecution of the war—there are several important differences both in the statutes themselves and in the defence regulations which spring from them.

By the first D.O.R.A., the King in Council was empowered to issue regulations for securing the public safety and the defence of the realm; and provision was made for the trial by courts-martial of offenders against certain of the regulations; most of these were concerned with the requisition of property for military purposes, and espionage. Not until November 27, 1914, was any attempt made to depart from the military aspect of defence. Then, the Defence of the Realm Consolidation Act allowed regulations to be made enabling the Army Council and the Admiralty to requisition munition factories or their output. This D.O.R.A. was supplemented by two amending Acts of 1915: the first allowing a civilian British subject the right to trial by jury—though this right could be suspended in the event of a special military emergency; the other, which was supplemented by the Munitions of War Act of 1915, extending the earlier provisions regarding munition factories to all factories, and conferring powers for supervising and restricting work with the object of increasing the production of war materials—the economic front had won recognition for the first time.

In many respects, the first Emergency Powers (Defence) Act of this war began where D.O.R.A. left off. Authorisation is given for regulations to be made "for securing the public safety, the defence of the realm, the maintenance of public order and the efficient prosecution of any war . . . and for maintaining supplies and services essential to the life of the community." There remained, however, two big qualifications on the powers which the Government could exercise. It was expressly stated that no authorisation was given for the imposition of any form of compulsory naval, military or air force service, which was covered by the National Service (Armed Forces) Act, or any form of industrial conscription; or for the making of provision for the trial by courts-martial of civilian persons.

Soon after the invasion of the Low Countries, the first of these qualifications was removed. The first measure to be introduced by Mr. Churchill's Government was the Emergency Powers (Defence) Act, 1940, which provides that defence regulations may be made "requiring persons to place themselves, their services and their property at the disposal of His Majesty" for war purposes. By this short Act, all limitations on the Government's power to mobilise the country's resources in men and materials were removed. What legislation could do to win a total war it had done.

The clause in the 1939 Act, specifying that there should be no courts-martial, has not been affected. But last summer, when invasion appeared more than a possibility, the Emergency Powers (Defence) (No. 2) Act, 1940, was passed, which allows defence regulations to be made providing for the trial of offenders by special courts. It carefully specifies that the courts in question are not courts-martial. On the other hand, if they are set up, they are to be used for the trial of any offenders; their object is to expedite criminal justice in an urgent military emergency. The courts-martial of D.O.R.A. were for the trial of offenders against the defence regulations only.

Regulation 1 of D.O.R.A. said that "the ordinary avocations of life and the enjoyment of property will be interfered with as little as may be permitted . . . and ordinary civil offences will be dealt with by the civil tribunals in the ordinary course of law." Business As Usual was, thus, legally blessed. Since this time, with the exception of the ban on courts-martial, there has been no such attempt to qualify the totality of the emergency powers granted to the Executive, many of the defence regulations go much farther than those of 1914-18. There is little practical difference in those relating to the defence of the realm proper, but, in the group of regulations allowing the mobilisation of resources, the present ones are much more sweeping. Under D.O.R.A., regulations were made authorising the Government to take possession of factories or plant, and to require work to be carried on under its directions. But, whereas last time there was power to restrict, but not compel, employment, the present Regulations 54C, 55 and 58 A between them authorise the use of compulsion, both on undertakings to employ persons and on persons themselves to be employed.

Another difference can be seen in the financial side of the economic front. In the last war, regulations empowering the Government to mobilise foreign assets and to prohibit the transfer of funds abroad were not made until the war was half over, and at no time was there a ban on capital issues in the United Kingdom. This time, a separate body of regulations, the Defence (Finance) Regulations, were issued under the Emergency Powers Act as early as August 25, 1939, which, with considerable later amendments, give the Treasury complete control over the foreign exchange and capital markets, and power to requisition gold and foreign assets.

Like the economic front, the home front has won far more legal recognition in the present war than in the last. It is true that D.O.R.A.'s regulations provided for power to detain suspected persons and to prevent the spread of false reports. But in this war the home front regulations are much wider and at the same time more specific. For instance, Regulation 18B, which allows the detention of certain persons without trial, originally gave as grounds for the detention order reasonable cause for belief that the suspected person was of hostile origin or associations, or concerned in acts prejudicial to the public safety or the defence of the realm—grounds similar to those of Regulation 14B of D.O.R.A. But an amendment of May, 1940, gave, as an additional ground, membership of an organisation subject to foreign influence or control, or controlled by persons associated, or in sympathy, with the system of government of an enemy power, the latter part of which was specifically directed at the British Union of Fascists.

Then there is the notorious Regulation 39BA, which makes it an offence to spread reports likely to cause alarm or despondency. The early regulations of D.O.R.A. did, it is true, couple alarm with disaffection; but alarm disappeared in the Consolidation Act, and the final version of Regulation 27 forbade the spread of false reports, and reports likely to cause disaffection, to prejudice foreign relations or the successful prosecution of the war, or to undermine confidence in the nation's currency or finances.

Another interesting contrast is in the treatment of the Press. Last time, insofar as public order and morale were concerned, the restrictions on newspapers were confined to this Regulation 27, which affected everybody. But, under the present regulations, the Press has not only to take care, along with the general public, against causing alarm and despondency and publishing prejudicial reports, it also has a regulation all to itself. By Regulation 2C, if it appears to the Home Secretary that a person is concerned in the systematic publication of matter calculated to foment opposition to the prosecution to a successful issue of the war, he can warn the person concerned, who is liable to prosecution if he persists in the offence. But

under Regulation 2D, if there is systematic publication of similar matter by a newspaper the Home Secretary can, without warning, prohibit any further issues of the newspaper in question. And there is no appeal from his decision.

The prominence thus given to the Home Secretary is repeated in other regulations, and is, perhaps, partly a consequence of the importance allotted to the home front. In the last war the regulations which gave him the initiative were mostly routine ones, such as black-out restrictions or ordering early closing. Under others, such as the power to detain, or to restrict the movement of suspected persons in certain areas, either he acted on the recommendation of the military or naval authorities or they themselves were given the necessary powers—another example of the much more military character of D.O.R.A. Now, however, a person may be detained under Regulation 18B if the Home Secretary "has reasonable cause to believe . . .", and an affidavit that he had reasonable cause has been held by the Court to be a good answer to an application for a writ of *habeas corpus*. "If it appears" to him; if he "is satisfied"; "if, in his opinion"—these phrases permeate the home front regulations. Last time it was "the competent naval or military authority may by order . . ." which was the theme song.

Moreover, in this war it is to civilians, in the persons of the Regional Commissioners, that extraordinary powers can be delegated for quasi-military purposes. By Regulation 16A the Minister of Home Security can declare certain areas to be defence areas, in which persons have to obey the directions of the Regional Commissioner. By Regulation 18BB the Commissioners can be empowered to detain suspects pending the consideration of a detention order by the Home Secretary. And, by Regulation 84A, they can, if the military situation demands it, be empowered to make bye-laws—local defence regulations—for any of the purposes authorised by the Emergency Powers Acts of 1939 and 1940, though such bye-laws must have, if possible the prior, and in any case the eventual, approval of the Minister of Home Security.

Obviously, many of all these powers would only be used in a time of extreme military urgency and, in practice, after consultation with the military authorities. As it is, they remain largely in abeyance. It is true that over a thousand persons have been detained under Regulation 18B, and the *Daily Worker* and the *Week* have been suppressed, under Regulation 2D, at a time when the military situation is, to say the least, no worse than it has ever been; but there has been no attempt to stifle genuine criticism, whether in the Press or among the public, or to persecute pacifists, and, except in the first defence areas, the Regional Commissioners have kept to their original functions of co-ordinating A.R.P. Although, too, there is little or no judicial check upon some of the powers, Parliament has shown itself ready to pounce upon any abuse. It cannot amend a regulation; it can only reject the whole Order-in-Council containing it if a prayer to that effect is moved within twenty-eight Parliamentary days of its being laid before the House. But it is enough to recall the uproar over the first "alarm and despondency" sentences and the fierce struggle over the second Emergency Powers Act of 1940 to show that in practice a very real check exists.

But Parliament is more than a policeman keeping watch on the Executive, and there is a strong contrast between its attitude towards the emergency powers granted for the home front and those for the economic front. The Home Secretary's powers are wide, but they are negative—they are concerned mainly with prevention. The Minister of Labour, on the other hand, has positive powers to further the war effort, powers which have never before been granted by Parliament—the right, under Regulation 58A, to compel the services of any citizen, man, woman, or child, for any purpose. Yet it is not Parliament but the Government itself which has been worried by this regulation. No sooner had its enabling Act, the Emergency Powers Act of last May, passed into law than it was soft-pedalled, and Mr. Greenwood said later that the Minister of Labour "has far greater powers than he ever contemplated using"—an attitude to which Mr. Bevin has, until now, faithfully adhered. It appears, in fact, that for the Government the Act was merely a political gesture. From recent debates in the House of Commons, however, it is quite clear that Parliament placed a different interpretation upon it and intended it to be the means of an all-out policy to win the war. There is no judicial check upon an Executive which acts *infra vires*. But Parliament can hold a Minister guilty of a breach of trust, not only for abusing or misusing his powers, but also for not using them at all.

NOTES OF THE WEEK

Hitler and Pétain

For some weeks Marshal Pétain received no reply to the letter he sent to Hitler at Christmastime, outlining his views on the Armistice and on the extent of the collaboration which was permissible according to its terms. For economic co-operation he was ready. Hitler's views of France as an agricultural colony of the Reich fitted in well enough with the Marshal's *mystique* of redemption through suffering and subsistence farming. And France's economic plight has been—and still is—desperate enough to warrant co-operation on almost any terms. But military collaboration in the form Hitler demands—bases in the Colonial Empire and German use of French naval bases and the French Fleet in the "defence" of the colonial empire against Britain—is excluded by the terms of the Armistice in which the French colonies were left intact though demobilized, and a guarantee was given that the French Fleet would not be used against France's former allies. The terms of the Armistice were left so unsatisfactory from the German standpoint, because they were a bait to catch the French Generals and were based on the confident certainty of a British collapse. Now—with Marshal Pétain placing himself *au pied de la lettre*—they are very inconvenient. If Hitler is to help the Duce effectively in the Mediterranean, French bases, particularly the fine naval base at Bizerta, and the use of the French Fleet to coop up the British Navy in the Eastern basin would be invaluable. Of the men of Vichy, past and present, only Laval is prepared for complete subservience. So the drama of the last week has revolved around his unpleasing personality. There have been great comings and goings—Abetz and Brinon between Paris and Berlin, Darlan between Paris and Vichy—and from the diplomatic journeyings two points emerge, that Hitler is attempting to force Laval back into the Vichy régime, and that the Marshal is adamant in his refusal to accept military "co-operation." The balance of power is still roughly the same. Hitler's hand includes the cards of two million French prisoners of war, France's economic straits, the disaffection in Paris now canalized in the Nazi-organised *Rassemblement national populaire*. But Pétain still appears to hold the trumps of Britain's continued resistance, the undefeated French Colonies, and the watchful presence there of General Weygand. The most likely outcome is the return of Laval, combined with continued non-co-operation, in any case a sorry and distasteful business.

* * *

The African Battlefront

The Imperial forces in Africa have another week of successes to record. On all the fronts of this vast battlefield—Derna is over 1,500 miles from Kassala, and from Kassala on to El Wak is another 1,000—the Italians are

giving ground. On some fronts they are not only losing territory but thousands of prisoners, supplies and war material as well. Derna fell on January 30th, and a stand was expected in the rocky country behind the town, but after a brief encounter the British advance swept on to take Cyrene, which lies only some 50 miles from Barce, the terminus of the railway to Benghazi, the capital, which is only about 100 miles further on. Indeed, it seems more and more likely that the Italians will make little or no stand in Cyrenaica and concentrate their defence in Tripoli. The advance into Eritrea has been even more sensational. Agordat has fallen and Barentu was evacuated by the Italians after a week's stiff fighting. It should now be possible for the forces operating in these two areas to converge on Asmara. The troops advancing from Agordat have the advantage of the railway, an important one, for the terrain is difficult and favours the defender. However, the Italians are taking singularly little advantage of their position and of their intimate knowledge of the country, and it is possible that their precipitate retreat is in part dictated by an increasing shortage of supplies. Since June, virtually nothing has reached Italian East Africa, and there is no hope of making good losses in war material sustained in any engagement. The strategic nemesis which is visited on anyone who creates an empire without looking to its communications is falling on the isolated Italians. And there will be no navy waiting for them on the beaches of Massawa. The British action, on the contrary, is one long illustration of the efficacy of our empire, whose life lines have not been cut. The Australians, New Zealanders and Indians in Libya and Eritrea have come to Africa across thousands of sea miles; in the south, troops from South Africa, Rhodesia and Kenya have breached the frontier of Italian Somaliland, while the canal zone has among its defenders Arab cavalry from Palestine and Trans-Jordan.

* * *

Abyssinia *Resurgens*

"His Majesty's Government would welcome the reappearance of an independent Ethiopian State and recognise the claim of the Emperor Haile Selassie to the throne." When one thinks "of the injustices that are done under the sun," it is pleasant to record that one at least of the major injustices of recent years will be undone and the rights of at least one weak State restored and recognised. Mr. Eden's statement in the Commons will be widely welcomed not only as some small assuagement to a national conscience which has remained—under all the hardening administered by Hitler—a little sensitive over the Sanctions episode, but also as a very statesmanlike approach to the problem of Abyssinia's future status. The British Government have never been under any delusions about Abyssinia. Britain opposed its admission into the League on the grounds that it had not reached a sufficiently civilised standard of living. On the other hand, Haile Selassie was recognised to be a capable and moderate ruler, determined to raise his country to a higher level. His work was interrupted by the Italians, who attacked him in the name of civilisation and used his more corrupt, barbaric and recalcitrant chiefs to bring him down. Italian rule may, here and there, have improved the amenities. It has not altered the character of the people. Haile Selassie, on his return, will face the old problem of imposing reforms on the barbaric fringe of his patrimony, and he has expressed his unwillingness to do so without outside assistance. During the process of reconquest—which with the advance on Gondar is well under way—that assistance can only come from Britain, but Mr. Eden's statement contained the welcome assurance that the Government "consider that any such assistance and guidance in economic and political matters should be the subject of international arrangement at the conclusion of peace." There need be no doubt about the honesty of British intentions on this score. The principle thus laid down represents the direction in which all colonial thinking in this country, official and unofficial, has been moving for many years past. There is in it the seeds of wider experiments in international co-operation for the good of Africa, and it is not altogether irrelevant to compare it with Governor-General Frank's declaration that "Poland is for ever a German State," or the Fuehrer's frenzied promise last November that "no German soldier shall ever be withdrawn from the lands he has occupied."

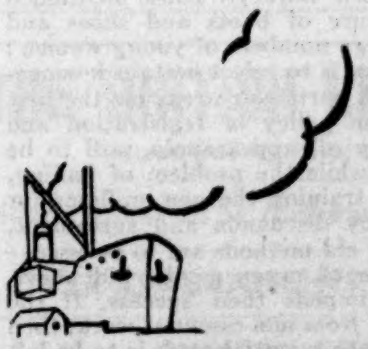
Greece Advances and Bulgaria Waits

With the capture of the Trebesina *massif*, the Greeks have secured an excellent strategic advantage which makes their familiar manœuvre of encircling and shelling out an enemy position practicable in the Tepelini sector. The town is reported to be under heavy fire and the Italians may well have started evacuating. Even without the new Greek advance, the position in their rear is growing precarious. The Italians still hold the coast road to Valona, but there are persistent rumours that the Greeks have reached Valona bay. The Trebesina mountain group also commands the road from Klisura to Berat, and heavy shelling may oblige the Italians to undertake a further withdrawal in this sector. The Greek advance is all the more remarkable in that it followed a desperate Italian attempt to secure the initiative in a week's fierce counter attacks along the whole southern front. These attacks have now died down after accomplishing nothing at great cost and they are hardly a recommendation for the military skill of the new Commander-in-Chief. Their failure also suggests that the Italians of their own initiative are incapable of restoring the Albanian front and that it is mainly the wretched weather that holds the Greeks back from even more sensational successes. If this is so, the spring may bring an Italian collapse and however indifferent Germany may be to local reverses, a complete Greek victory accomplished with British aid would represent too severe a blow to Axis prestige and create too dangerous a military situation in the Balkans to be tolerated. The Nazis must therefore make their plans against a further Italian disintegration. Direct help—aircraft, troops, war materials—might not be decisive on so small and mountainous a front. The obvious strategic move is across the easier terrain of Bulgaria to Salonika and the unfortunate Bulgarians continue to exist in the gloomy and nerve-racking condition of pre-invasion. This week the Germans are again pressing Bulgaria to sign the Three Power Pact and troops are massing on the Bulgarian frontier—the invariable accompaniment of diplomatic pressure. The Germans do not, very probably, intend action at once. When it comes it may well be part of a combined Mediterranean feint to throw Britain's defensive position out of balance at home. Delay is not, of course, much consolation for the Bulgarians and there is no doubt that outside the Army Germany is violently unpopular. But internal divisions prevent them from turning anywhere else for support and the country waits its fate in suspended animation.

* * *

Compensation for War Damage

The War Damage Bill is moving slowly, but with some profit, through Committee. Amendments have been accepted by the Government on a number of comparatively minor points. But on the two major defects of the Bill—the unfair discrimination against the owner of property which is wholly destroyed, and the unsatisfactory treatment of the relationship of mortgagor to mortgagee—no concessions have been offered save a number of vague promises to look into the matter of sub-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sequent legislation when and if serious hardship emerges. The discrimination against the case of total loss is entirely a matter of the prospective value of money. The owner of a destroyed building is to be paid its value at the prices of March, 1939; the owner of a damaged building is to have the damage made good, the State paying the cost of reinstatement at the time the work is done. Clearly if there is no change in the value of money, and the level of building costs after the war (when all but a fraction of the replacement and reinstatement will necessarily be done) is the same as it was in March, 1939, there is comparatively little difference between the two methods. But the experience of the last war and the methods being adopted to finance this war make it virtually certain that the level of building costs will be considerably higher after the war. In that case, the man who has only suffered partial damage will be restored in full, while the man who has suffered total loss will receive a sum of money which may be enough to pay off his mortgage but will certainly not give him an equivalent house to live in. It is this manifest injustice that the Chancellor of the Exchequer refuses to meet. Three arguments are offered. The first and most stupid is that there may not be any inflation of values after all. "Such an occurrence is most unlikely," said the *Times* on Monday; "indeed, it would mean the complete failure of the Government's economic policy." This is an astonishing example of wilful blindness. The pound sterling has already lost about a quarter of its purchasing power, and the fall in the value of money is about as great as at this stage in the last war. There is no excuse for not facing the problem.

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The second argument is one used by the Attorney-General, that the great majority of cases will receive "cost of works" treatment and be reinstated in full. It is true that the number of cases of minor damage will outnumber those of total loss; but this does not in the very least affect the fact that those who suffer the most damage will be treated worst. Finally, there is the argument used by the Chancellor of the Exchequer himself. Sir Kingsley recognised the possibility of injustice, but said that nothing could be done about it, since to compensate an owner of a totally destroyed house by building a brand-new house for him would be to replace more than he had lost. But there is no need to do anything of the sort. All that is needed is a simple provision that the number of pounds due on a "value payment" shall be increased in the same proportion as, by ascertainment of the War Damage Commission, the cost of building has increased between March 31, 1939, and the date of payment. It is astonishing how reluctant the Treasury is to admit to its mind the principle of "valorisation" with which every Continental country became familiar after the last war. No increased *real* burden on the Exchequer is called for, merely another effort to be rid of what Mr Keynes has been calling "the humbug of finance."

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The Conditions of Service

The pace and scope of the new industrial mobilisation are still hard to calculate. Last week's proposed changes in the policy of reservation for military service made it clear that one intention is to force men engaged on non-essential jobs to look for war work if they wish to escape calling-up; and the Minister is known to have asked certain industries to prepare schemes to release a considerable number of their workers. Those mentioned have been the manufacture of boots and shoes and hosiery, which employ large numbers of young women; and it is said that the plan is to select certain low age-groups of female labour in particular areas for the first registration. Actually, the policy of registration and call-up for industry is, by all appearances, still to be kept in the background, while the problem of finding, releasing, recruiting and training the new millions for war production is done by discussion and agreement. The trouble is that, if the old methods are to be used—even with this new sense of urgency—the old shortcomings will remain to impede their success. If the flow of workers, first of all *from* non-essential work, then *into* training and finally *into* essential work is to be left to mainly voluntary means, except for the threat of military service, the conditions do not exist for its success. For one thing, no plans have been made to scale down non-essential industries in such a way, by pooling their resources and concentrating their output in their most efficient units, as to *set free* the greatest possible number of workers. For another, apart from unemployment, the worst paid and least attractive occupations are, in order, training for war work and serving in the Forces. Work on munitions and so on is, admittedly, well paid—for those already skilled and for those who are fortunate. But the prelude to it, the way of getting in, is poverty-stricken unemployment, poverty-stricken instruction and costly migration. No tank traps are more obstructive—so long as the people concerned can hang on to the jobs they are in. For voluntary transfer to have a chance of even limited success, the wage structure would have to be so constituted that, even with the cost of travelling and rehousing taken in, labour would be stimulated to move to the work and the places where it is most needed. The fact is that the present economic differentials between one occupation and another and one status and another are, over a wide field, calculated to make people stay where they are. The need is not simply for plans to mobilise manpower; but for measures to make sure that no one can benefit by remaining out of the one or the other of the front lines, or lose by taking the path of duty. It means instituting, not only a minimum level of consumption below which no individual should fall, but also a maximum above which no one should rise. It means evolving a system of compensation for *all* war losses, indirect as well as direct, whether due to calling-up, bomb damage, ruined trade or industrial transfer—either by meeting burdens from State funds or by abating them. And, within this wartime framework of equal sacrifice, it means imposing upon every citizen the obligation to work — not just on the working girls of Leicester but on the leisured ladies of the Shires as well. To talk of conscription is to miss the point. What is wanted are the conditions of service.

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Party Lines in South Africa

The outbreak of war came as an earthquake to the structure of South African politics, and there are still plain signs that the process of settling after the shock is far from finished. General Hertzog has left the scene—it is said for good. A number of his followers have formed a new "Afrikaner" party. General Smuts has proclaimed that the South African troops who are tearing at the Italian Empire will fight on to the shores of the Mediterranean—at least. Only last week, there was an ugly clash in Johannesburg between soldiers on leave and Afrikaner extremists of the so-called "cultural" Ox-wagon group. The new party is pledged to the policy of co-operation with the British which, through almost every vicissitude, was the prescription of General Hertzog for the Union's future; and it directly denies the racialism of the extremists among the Afrikaners who drove General Hertzog out when he attempted to rally Afrikanerdom, not against the British, but against the war policy of General Smuts. It is a small party—only 10 members of Parliament out of General Hertzog's former following of more than 40, not half the number who supported the Nationalist Dr Malan in the pre-war Parliament. It should not be supposed, however, that the balance of the Hertzogites have remained in the uneasy alliance with the extremists which General Hertzog himself finally found to be impossible. In fact, to a considerable extent, the reverse is probably true; that is, an appreciable number of them must now be supporters, if not of General Smuts personally, at any rate of the war.

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The point is that the new party, so far as can be seen at this stage, is an attempt to find a *via media* that is almost certainly not there. Its members will have no further truck with the "Afrikaner segregation" policy of the extremists, with its invitation to anti-British activities likely to aid the Germans and its affinity to the blood-and-soil doctrines of Nazism, but they are also opposed to what they call the "holistic imperialism" of General Smuts. The logic of General Hertzog's experience, when he found that opposition to the Prime Minister and the war led him into disloyal and subversive circles, is ignored; and the new party (it is reported) still advocates neutrality. Actually, the war has clarified the political situation in the Union. There are really only two sides: those who support the war—which a majority of the population unreservedly approves;

and those who oppose the war, favouring any means to their end, even at the risk of forwarding Germany's ambitions. On the one hand, that is, there is General Smuts; and on the other, there is, not the old leadership of General Hertzog or even of Dr Malan (who is not prepared to be actively disloyal), but the old-Boer and new-Nazi Ox-wagon group, led by Dr Van Rensburg. The elements in between must ultimately shake into one or the other of these two groups; and the fighting in Johannesburg, which seems to have been actually started by the soldiers, who resented the anti-war attitude of the Ox-wagoners, shows how high feeling is running over this issue. What has happened is simple: General Smuts has gained enormously in backing since the war started; a growing majority in the Union is prepared to support the war wherever the tide of victory may take its soldiers; but, correspondingly, the Opposition has grown more stubborn and virulent.

* * *

Congress Takes its Time

Not for the first time in American history, Congress is following the movement of public opinion at a leisurely pace. The responsible members of the Administration have made no secret of the anxiety with which they regard the next three months. They have underlined the perils and the need for haste. They have revealed the very disquieting fact that British ordering of munitions—that is, new orders, not the execution of contracts already entered into—has virtually come to a standstill. But the constitutional character of Congress—an independent legislature, without much party discipline or leadership from those who are responsible—imposes delays. It also inevitably, in circumstances such as the present, gives the word to the minority. The majority who support the President will save their breath for the voting, and it would be a mistake if anxious observers in Great Britain formed the wrong impression from the spate of anti-Roosevelt, anti-British oratory that is coming from the Capitol. The Bill has not yet suffered serious amendment. Indeed, the only important amendment—that on convoying by American naval vessels—is far less serious than, on the basis of early cables, was here assumed last week. It merely declares that nothing in the Bill must be construed as authorising convoying; it does not attempt to take away from the President the power that constitutionally belongs to him as Commander-in-Chief of the Navy. When the House passes the Bill, it will be subject to further discussion—and perhaps more serious amendment—in the Senate. But nothing has happened to prejudice its very good chances of enactment. As for the delay, we must bear it as a vigil—one of those eternal vigils that are the price of liberty.

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The Redistribution of Work

On page 183, in our regular summary of economic events in enemy territory (now presented under the title of *German Europe* instead of *Germany at War*), an account is given of an interesting experiment by which a sort of clearing house for sub-contracting Government work to factories with spare capacity is being operated. This problem of elasticity in the distribution of work is common to every war economy. It arises in the first place from the need to make full use of every available item of industrial equipment, and is made particularly acute by the shift from civilian to military manufacture, which carries with it the danger that the restricted civilian factories will many of them be making only partial use of valuable plant and labour. In the new drive in this country, for instance, to recruit hundreds of thousands of fresh workers for war employment, it is of prime importance that the civilian trades affected by the cutting down—the boot and shoe and hosiery trades are now under discussion—should, by organised posting, so adjust the work that they are allowed to carry on as to release a maximum amount of plant and labour for Government contracts. Until now, the consequence of restricting civilian manufacture has too often been, not the disemployment, but simply the wasteful underemployment of machines and man-power.

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Nor is this simply an industrial problem. The need for pooling and the re-allocation of work by mutual arrangement arises hardly less in the distributive trades. Retailing and wholesaling are not only sharply affected, naturally, by the curtailment of civilian supplies; they are also thrown out of gear by the considerable wartime movements of the population and by bombing. The quotas of goods supplied to them cease to correspond with their markets; some have too much, while others have too little. At the end of last year, the Board of Trade took up this question of shifting markets with the wholesale textile trade; and in the middle of January a clearing scheme was proposed whereby textile wholesalers with surplus stocks could be put in touch with those whose supplies, for one reason or another, were insufficient. Actually, an informal trade in quotas has already sprung up in connection with almost all goods which come under the Limitation of Supplies Orders; but as the *Monthly Record* of the Manchester Chamber of Commerce has pointed out (referring specially to yarn quotas and the price of finished textiles), the danger of these transactions is that prices to consumers tend to be "rocketed up." In the fields of both distribution and industry, the necessity for Government direction of pooling and transfer arrangements is plainly imperative. There is not simply the need to restrain engrossing and price-raising. It is essential to see that the nation's requirements, and those only, are met; that, on the one hand, supplies are distributed where they are most wanted; and that, on the other, trading and manufacturing firms which surrender their quotas of work actually transfer their labour and plant exclusively to war work.

* * *

Ship Warrants and the Blockade

By a slip in a Note on economic warfare last week (p. 143) it was inadvertently stated, with reference to supplies passing to Germany through Soviet Russia, that ship warrants issued by the British authorities have no validity in the Pacific trade. This is, of course, untrue. British navicerts which certify that cargoes are not intended for enemy or enemy-controlled destinations are, it is true, only needed in trade to Europe, certain islands in the Pacific or French and neutral ports in North Africa. Ship warrants, on the other hand, which give the shipowner's guarantee that cargoes will not be run to blockaded areas without navicerts, are needed all over the world before ships can obtain repairs, coal, oil or even water at any British port or bunkering station. Indeed, these certificates constitute practically the only defence which Britain possesses, apart from actual co-operation on the part of the Americas, against the running of the blockade by the Pacific back door; by this means, it is possible to deny to blockade-runners the great range of British port and shipping facilities in the Far East.

* * *

Monopolies and the State

A marked feature of economic development in wartime, that is, in periods when markets are dominated by the prospect of scarcity, is the tendency of monopolists to take charge of entire trades. This was so even before the ubiquity of Government control led to the use of legalised monopolies as official agents. At the end of the long war against Napoleon, a commission was set up to investigate "the high price of beer" with special reference to the influence of the brewing ring. To-day, the problem is acute, for one thing because, since British civil servants are never trained (as administrators are,

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intensively, in some other countries) in the routine and expertise of particular trades and industries, traders and industrialists have necessarily to be used to operate official controls; they are the working parts of the Ministries of Supply and Food; and, with the best will in the world, it is difficult for civil servants to gainsay the expert advice of business men. Nevertheless, the tendency to farm out control to the largest traders—which was already a feature of State intervention in the Tory years before the war—is disturbing; and, to take one instance, it was a sign of indifference to a development of national importance that the terms of reference given to the committee set up by Lord Reith to consider cement production did not include any investigation into the effects of combination on prices and supplies. This is not to suggest that there was anything at all to uncloak; the point is rather the need for constant vigilance on the behalf of consumers—one of the notable results of the work of the Reconstruction Committee on housing in 1917 was a report on "combinations in the building material trades." An important instance of quasi-monopolist organisation under the official ægis is given in the Winter issue of the *Fabian Quarterly*. An article on "Meat Policy" rightly praises many features in the strict control by the Government of the wartime trade in meat; but its author makes the criticism that though the Government has been right in selecting large units for supply, it has wrongly given control through the Ministry to the larger wholesalers; the chains of stores of importing syndicates, he says, have been allowed to handle the home-produced meat they once ignored; in transport, by making the Wholesale Meat Transport Association its sole agent, the Ministry has, it is claimed, in effect given this body power to force retailers into affiliation; and the use and distribution of edible fats are ruled by a committee of manufacturers. There are answers, of various degrees of conviction, to these criticisms; but the fact remains that the officially sponsored monopoly is a portent to be scrupulously watched. At the best, it is a regrettable necessity; at the worst, exploitation.

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Shorter Notes

A terrifying sidelight is thrown on the contagion and deadliness of Nazi ideas by the letter sent by the seven Bishops of Norway to the Quislingist Minister for Church and Education protesting against the violence, lawlessness and brutality of the *Hirdmen* (Quisling's Hitler youth), whose watchword is: "We knock down so hard that we destroy sight and hearing, and we return ten blows for one." And they are living up to it.

*

The arrangements for sending remittances to British subjects in enemy and enemy-occupied territories through banks in this country have now been cancelled. From January 1st, British subjects detained in such territories, who are willing to be repatriated when facilities exist, may continue to obtain advances from the United States Consul, but in order to avoid duplication of payment permission to effect remittances through banks has been withdrawn. It has hitherto been possible to remit up to £2 a month to officer prisoners of war only through banks. Now, this permission has also been withdrawn, as if the arrangements were extended to all ranks, as was intended, it would involve payment to the enemy of £1,000,000 a year in dollars.

Letter to the Editor

Irish Neutrality

TO THE EDITOR OF "THE ECONOMIST."

SIR,—Irish readers have been surprised on several occasions during recent weeks at the position taken by *The Economist* on Irish neutrality. Two complaints have been made against the Irish Government: first, that by not placing the so-called Treaty Ports at the disposal of the British Navy it has increased the menace to British and neutral shipping in the Atlantic, and, secondly, that by refusing to enter the war on the British side it has unwittingly and unintentionally rendered aid to Germany. These two complaints are not quite independent. If the Irish Government offered the use of the ports to Great Britain, Eire would automatically enter the war on the British side, while, if it entered the war on that side, all Irish ports would at once become available for the British Navy. In fact, the two complaints are different methods of expressing dissatisfaction at the continued neutrality of Eire.

English people and newspapers are quite entitled to regret that the neutrality of Eire is inconvenient for naval operations in the Atlantic. The same regret could be expressed regarding the neutrality of Portugal and other countries that have the misfortune to possess situations of strategical importance. They are also at liberty to argue that Irish interests would, in the long run, be best served by entering the war as an ally of Great Britain. This argument might be based on grounds either of expedience or of principle, and there would, no doubt, be something to be said in favour of it—and against it. But they are not entitled to assert that the Irish people, by remaining neutral, have "compromised their whole moral position in the world." The question of Irish neutrality is a matter to be decided by Irish public opinion, correctly interpreted, as it is, by the Irish Parliament and Government.

This is an essential corollary of the acceptance of the principle of Irish nationality for which British Liberalism professes to stand. If it be asked "for what did Ireland's English friends fight so many bitter battles?" the answer is "the right of Ireland to govern its own affairs in its own way." If the right of self-government be granted in principle, the right of declaring or refusing to declare war cannot be denied in practice. To argue that unwise decisions may be taken is to raise the eternal issue of self-government against good government, which in the case of Ireland has been decided in favour of the former alternative. To provide the moral justification for forcing Ireland into the war by direct intervention or by economic pressure, it is necessary to retreat to the old Unionist line that the interests of Ireland must always rank second to those of Great Britain. Such action would be an open exercise of power politics, impossible to reconcile either with declared British aims in the war or with the acceptance of the essentials of the Irish nationalist position. Anglo-Irish relations would be brought back to the time and terms of Cromwell.

The question of the Treaty Ports is simple. These ports were transferred to Eire in 1938 by a public act of the British Government, ratified by Parliament. Many people in Great Britain questioned the wisdom of that action at the time, but it cannot now be unilaterally revoked. To argue that the capture by the Germans of the French ports has altered the facts of the situation is no doubt true strategically, but, juridically, it is to seek to apply the principle of *rebus sic stantibus*, which, if valid, can justify the breach of any international agreement. So long as Irish public opinion remains unchanged on the question of neutrality, Eire is clearly entitled to continue in her present attitude, which undoubtedly reflects the wishes of the great majority of the people. If this attitude leads to unfortunate results for the Irish people, they must be prepared to abide by the consequences of their own decision. They are entitled to object to any attempt from without to bring pressure to bear upon them in making up their minds on matters so vital for their future welfare.

YOUR DUBLIN CORRESPONDENT.

[There is little, if any, analogy between Ireland and Portugal. Eire is entirely dependent upon Great Britain's strength, not merely for her future happiness, but for her day-to-day existence. If it were not for the British armed forces, she would be invaded to-morrow; if it were not for the aid of British shipping, she would collapse economically the day after. If the Irish wish to be independent and neutral, let them be so. But to accept all the benefits of dependence and claim those of neutrality too is, indeed, to "compromise their whole moral position."—EDITOR.]

THE WORLD OVERSEAS

New Railways in Free China

(From Our Shanghai Correspondent)

November 30, 1940.

FREE China is still making strenuous efforts to improve and extend her communications. A great deal of work is constantly carried out on the Burma-Yunnan Road, now Chungking's chief line of foreign communications, but the Road's monthly transport capacity still remains limited to less than 10,000 tons of truck freight. To relieve the Road permanently, the Chinese in recent months resumed the construction of two railways from Kunming capital of Yunnan—northward in the direction of the Upper Yangtze port, Suifu, and westward towards Tali. The materials used in this railway construction are those of the French Haiphong-Kunming Railway's Chinese section, which since the Japanese penetration of French Tongking is being torn up systematically at an average rate of two kilometres a day. The two new railways built to the north and west of Kunming are scheduled to run to an aggregate length of over 300 kilometres, and to be completed by the end of next year. Railway construction also continues in Kwangsi Province, recently evacuated by the Japanese, where a new line is being built from Liuchow north-west towards Kweichow Province. The Liuchow-Yishan section of this line already sees normal railroad traffic, which has thus advanced to within an easy two-day truck journey from Kweiyang, capital of Kweichow. Of less economic than political importance is the completion in October of the new mountain motor road in West Szechuan from Yachow (Yaan) to Kangting (Tachienlu), already passable for small motor cars, and now being widened for truck traffic, which is thus thrust forward to the gates of Eastern Tibet.

Less advance has been made in recent months in Free China in the field of industrialisation. The suppression of the Chinese transit trade through French Indo-China, the marooning there of large machinery and motor truck consignments for Chungking, and the Burma Road's three-month closure considerably delayed the execution of a great many industrial projects and completely prevent that of others. Lack of spare parts for machinery is a serious difficulty, hampering numerous plants in operation. Yet a series of new industrial establishments were recently successfully completed and started operating, such as a rubber-tyre plant in Yunnan, some big and many small machine shops, a few chemical works, and several new iron foundries. Japanese air bombing has so far had little effect on Changking and Kunming factories. Free China's industry still expands, though more slowly than a year ago. Szechuen Province alone reports the following industrial growth for the past three years:—472 plants newly established with a capital of over £250 (130 chemical, 96 foodstuff, 67 metal and machinery, 62 paper and printing, 31 electrical supply plants); 339 plants transferred to the Province from Japanese-occupied territory (193 metal and machinery, 37 chemical, 21 electrical supply plants). Many of these establishments, of course, are but of lilliputian size. The number of new industrial co-operatives all over the country continues to increase, some of these developing into big establishments executing large war orders.

The March of Inflation

Yet, despite continuous progress in communications and industries, there is everywhere in Free China a great shortage of industrial products which, combined with the high cost of motor transport and with advancing inflation, has boosted prices of such products to all-time high levels. At Chungking, numerous Shanghai-made mass-consumption products, such as cotton yarns and cigarettes, are priced between four and ten times higher than at Shanghai. Elsewhere in Free China, industrial goods are frequently still more expensive. Prices of agricultural products also sharply increase in all areas which the new lines of communication bring within the reach of Chungking's wartime economy, with the result that the former low cost of living in such areas disappears, and the decline in the standard of living of tens of millions of people is raising increasingly serious economic and social problems. The Chinese National Government are trying to cope with these problems as best they can by means of official price fixing, the control of the supply of foodstuffs from province to province, anti-profiteering laws and severe excess-profit taxation, but it proves difficult to enforce such measures over an area as huge and as little touched by modern administration as Free China.

America's Labour Reserve

[FROM OUR NEW YORK CORRESPONDENT]

January 17*th*.

THE business indices for December showed only nominal changes from November, except for non-residential building. The general index of industrial production declined two points, but allowance for the "seasonal" adjustment converted this two-point decline into a 4-point rise. On the other hand, the unadjusted index of department store sales rose from 114 in November to 179 in December; but the adjusted index advanced only from 100 to 101.

This is a statistical picture of an economy occupied at very near what can be termed its "normal capacity." For example, normal capacity is measured by the 40-

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hour week. As late as October, the Bureau of Labour Statistics reported an over-all average work week of 39.3 hours, although the durable goods industries averaged 41. There is considerable elasticity in this element in the form of overtime, although, of course, at increased cost. There is also elasticity in the labour supply. It appears that the total number of persons engaged in non-agricultural employment in November was about 36,500,000, a figure almost identical with the average of 1929. As the adult population of working age has increased, perhaps five or six millions, since 1939, this figure suggests that there is still a substantial reserve of labour. The availability of this labour, that is, its geographical distribution and its skill or aptitude, is less clear than its numbers. During the past decade, the characteristic movement of the population from rural to industrial areas was held back, and it is estimated that several million employable persons are now scattered in rural areas, where their services find little opportunity. Given the fluidity of the American population, it may be supposed that large numbers of these are being drawn and will in the early future be drawn towards urban industry. Then, of course, there is always the possibility of shifting personnel and plant from its normal use to uses regarded as more essential. In other words, the statement that our economy is operating near normal capacity does not mean that aggregate production cannot be increased, and still less that specific production cannot be materially expanded. It does mean that increases from this level, whether general or specific, will introduce certain phenomena which have so far either been absent or have been relatively inconspicuous.

FEDERAL RESERVE BUSINESS INDICES (unadjusted)

1935–9=100 for industrial production
1923–5=100 for other series

	Nov., '39	Nov., '40	Dec., '40
Industrial production (total)	**124**	**135**	**133**
Manufactures (total)	126	137	138
Durable	*140*	*158*	*161*
Non-durable	*115*	*121*	*119*
Minerals	112	119	110
Construction contracts (total)	69	99	103
Residential	*51*	*83*	*81*
All other	*84*	*112*	*120*
Factory employment (total)	104	111	...
Durable goods	*100*	*112*	...
Non-durable goods	*108*	*109*	...
Factory payrolls (total)	104	115	...
Durable goods	*105*	*124*	...
Non-durable goods	*103*	*104*	...
Freight car loadings (total)	73	84	77
Miscellaneous	*81*	*95*	*88*
Department store sales	168	114	179
Department store stocks	64	83	...

As this Correspondence has several times stated, it is noteworthy that the great increase in demand since the middle of 1938, or even since the summer of 1939, has produced little effect on the price index. This inertia in the general index rather conceals several relevant facts. For example, there has been a substantial rise in building materials and in building costs—as would be expected from the index of building contracts given above. In consumer goods, a marked shift has been reported in consumer preference, from cheap to more expensive articles, for instance, women's clothes in towns where business is particularly booming. Difficulties in securing delivery are occasionally encountered. But, generally speaking, there is a marked resistance to higher prices.

Russia's New Lands

[BY A POLISH CORRESPONDENT]

THE formal absorption of the Baltic States, Bessarabia and Northern Bukovina into the U.S.S.R. was finally completed last month. The peoples of these territories have elected their representatives to the Supreme Soviet and are represented in the Parliament of the Peoples of the Soviet Union. The voting was, as usual, on one list only—that is, for the candidates of the Communist Party and the so-called "non-party representatives," and candidates were nominated by local committees dominated by the members of the Communist Party. Between 80-95 per cent. of the electorate cast their votes for the official candidates; and there were the usual mass demonstrations of workers and peasants.

The Stalin administration has shown considerable finesse in handling peoples of different races and nationalities. It is unlikely that all the electors in these newly-acquired territories voted as they did because of force or pressure. The Soviet authorities, in fact, are doing everything possible to make things easy for the new populations during the period of transition; and the Russian method of dealing with the 23 million peoples in the Soviet's latest acquisitions works more smoothly than the brutal force used by the Nazis in their occupied countries. The method is the same as that which Lenin used in Russia in the years 1923-25 to save the Soviet economy—the so-called New Economic Policy (N.E.P.), very far removed from the strict programme of Communism, but designed to pave the way for the introduction of a fully planned economy.

Co-operation with the Invaders

Each of the Baltic States and the provinces of Bessarabia and Northern Bukovina are now passing through this transitory period. During this stage the population is treated quite differently from the population of Russia proper. This process of the "evolutionary introduction of the Soviet system" and the policy of giving to the different national minorities comparatively considerable autonomy has yielded fairly good results. The new regime has managed to obtain the co-operation, not only of the peoples who were by race and natural structure most closely linked with the Russ, such as the Ukrainians and the White Russians, but also of people like the Latvians, Estonians and Lithuanians. Even the Poles, who are still stubbornly resisting the German invaders, show some signs of co-operating with the Soviet authorities in the territories of Western Ukraine and the other parts of Poland occupied by the Russians. Polish papers appear and Polish schools are open in all the districts with a Polish population; and, though all cultural and educational activities must, of course, be in line with Communist ideology, there is no actual suppression of the Polish language and no tendency to create anti-Polish feelings. The Baltic States have so far received the best treatment, and these countries are still less "socialistic" than any part of the Soviet Union. It is, however, doubtful if this state of affairs will be tolerated for long.

Transition to "Socialism"

The first stages of socialisation were carried out everywhere in the same way. Banks, transport, land and large industrial concerns were nationalised and taken over by workers' committees. The former owners were in some cases elected as directors of their establishments. The land was generally distributed to landless peasants, but farmers were allowed to keep their farms, on the condition that they did not possess more than 30 hectares of land and employed only members of their own family. Only a comparatively small number of collective farms have been organised, and, actually, collectivisation has not been encouraged. Private belongings, including furniture, have not been confiscated, but a system of redistributing houses and flats has been introduced, each person being allowed a specified amount of cubic space, and rent being fixed according to the amount of room-space occupied. Former landlords are often still entitled to rents; and many businesses, especially in distribution, are carrying on as before, though the tendency is for all trade to be concentrated in the co-operatives, private trading being limited to a minimum. People are not prohibited from practising their religion, and churches and synagogues are still open. But a very strong campaign of anti-religious propaganda has been steadily conducted by various atheist organisations.

The relations between the different nationalities—Poles, Lithuanians and Jews in Lithuania; Russians, Jews and Latvians in Latvia and Estonia—are on the whole smooth, and there is little or no sign of serious friction. All the key positions, however, are controlled by Russians from Moscow and other districts of Central Russia, though there is no marked tendency to push the local population out of even important jobs. It is not likely that any appreciable resistance will be shown when these lenient preparatory measures are gradually transformed into the full Soviet system.

German Europe

The Industrial War Effort. — Official pronouncements during the last few months have emphasised the need for still further intensification of arms production. This is, perhaps, surprising; first, because the German armament factories have been working practically at peak production for some years; and, secondly, because other official statements have seemed to view with disfavour any urge to increased effort. In his last Munich speech, for instance, Hitler said that, up to the present, "only a portion of the monthly munition output was being consumed." The newspapers assert that the *Blitzkrieg* has shown an amazingly low record of consumption, wear and tear and loss of material. But they now go on to say that Germany must not make the mistake of being too complacent about the progress of production. What has become apparent in this war, in fact, is that reserves of labour, machinery, stores and vehicles alone do not suffice, but what matters most is quick adaptability to the ever-changing needs of each new phase of the war. The present drive to increase industrial war potential may be, therefore, regarded as the harbinger of important strategic events.

One of the most important innovations in the organisation of German industry during the last few months, it is true, is obviously due to air raids. This is the large-scale transfer of factories from Western Germany to Upper Silesia, Bohemia, Moravia and Poland. These transfers have led to a large demand for improvement and modernisation, for the industrial plants of those Eastern territories can only slowly be adapted to modern methods—even if machinery is transferred as well. In the course of these changes of locality one principle is being strictly observed which has been followed for some time in German armaments production, namely, the greatest possible standardisation of types, particularly in aircraft construction. It is even claimed that, in this way, far-reaching disorganisation by British air activity has been avoided.

Industry in the Protectorate and in Poland is being drawn more effectively into the industrial war effort by yet another reorganisation. As many of the factories have far more orders than they can deal with, the Government has organised so-called "order exchanges," which serve as "clearing-houses" for Government contracts within certain areas. At these exchanges, the factories, by mutual agreement, try to ensure the speedy execution of Government orders; many factories no longer allowed to produce consumers' goods and those deprived of their export markets are enabled to switch over to war production—which they could not do without this clearing system, because they could never obtain raw materials and semi-manufactured goods without offering evidence of corresponding purchases in previous years. It is not easy, however, to see how this system of subcontracting by individual entrepreneurs fits in, either with the rigidity of State control or with the concentration of production that is being intensified in the civilian industries. The output of consumers' goods, it is true, is still steadily falling; but, at the same time, care is taken to ensure that individual factories, whose civilian business has been curtailed, do not just go on working half-time, but rather that more and more works are *closed down entirely*, while those which do carry on work *at full capacity*, in order most fully to exploit both labour and plant. It is hard to see the room in this situation for the clearing-house for subcontracts—unless it is that the Nazis' notably efficient planning is not proving so efficient in practice.

In the newly-acquired mining districts of Poland, North France, Belgium and Holland, the equipment is being fully utilised for the German war effort, and the German Government has spent large sums for this purpose. New machinery, both for the hauling and loading of coal, has been introduced; and, as the German coal industry is experiencing difficulty in finding labour to train, a special training scheme has been evolved for the coal pits which is partly compulsory. Despite the general wage-stop the scheme offers considerable wage inducements, and in future the miner will be the highest-paid worker in Germany.

The production of motor vehicles for the civil population—private cars, vans and lorries—has entirely ceased. Only in exceptional cases are lorries produced for armament factories and tractors for agricultural use. What remains of the motor industry produces only for export, which, however, is very small, since motor traffic all over Europe is strictly limited now on account of petrol rationing. The motor factories, however, are fully occupied with the manufacture of war materials; and, recently, some of them have even substantially increased their capital in order to meet increased demands.

*

Permits for Gaseous Fuels. — The compulsory conversion of commercial motor vehicles to the use of liquefied hydrocarbon gases was one of the means adopted by the German Government soon after the outbreak of the war to economise liquid fuel supplies. Fair quantities of these gases (propane and butane) are obtained as by-products in the German coal-oil industry. Until recently these gases were unrationed, but they have now become so popular that the demand for them has outrun the available supply. Now, therefore, users are required to present a "consumer's certificate" before they can obtain liquefied gas. During a transition period, an equivalent quantity of petrol is being supplied to consumers who, although they have the necessary permit, are unable to obtain the gaseous fuel.

*

Agricultural Supplies. — A recent publication of the *Institut Für Konjunkturforshung* dealt with the effect of the British blockade on the food and fat position of the Continent. It points out that, at the outbreak of the war, German stocks of cattle and of pigs exceeded those in 1914 by 7.5 per cent. and 11.5 per cent., respectively. The incorporation of Austria and the Sudetenland in the Reich, it is claimed, did not complicate the food difficulties of Greater Germany, for the grain deficit of one million food calories in these regions can be met by raising the output per acre to the German level.

The *Institut* states that the crops of German Poland can be increased immediately by 20 per cent., and estimates that the Reich will benefit next year by a Polish export surplus of three million tons of potatoes, sufficient to raise two million pigs for slaughter. The *Institut* concludes that import requirements of approximately 6.7 million tons of grain in the German occupied territories of France, Belgium, Holland, Denmark and Norway can be reduced, without causing deprivation, by intensified cultivation of the land for grain crops and a reduction in cattle, pigs and poultry.

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THE BUSINESS WORLD

Public Utility Prices

THE cost of public transport and of electricity and gas—the public utility industries—not merely absorbs something like 10 per cent. of the national income, but it enters the budget—and often as an important item—of every firm and of every individual. Increases in public utility charges have much the same effect on the general price-level as stones thrown into a pond, since their influence reaches the furthest corners of the economic system. They are the most strategically placed of all prices and no war-time economic policy can claim to have any substance unless it takes them fully into account. The most obvious rule that should be laid down is that there should be no "excess profits" in the public utilities in war time; the net revenues of the industries should not rise above the limits imposed by the need of maintaining plant and machinery in good condition and of permitting a reasonable return on the capital invested. These are inevitably question-begging phrases; but the principle is plain enough. But clearly it is only the beginning of a war-time policy for strategic prices. In some cases, where the damage that would be done by price increases would be very heavy, it may be preferable to compensate the public utilities for rising costs out of the public purse rather than out of increased prices. In other cases, where the incidence of rising costs has been unequally spread over an industry, some measure of pooling may be necessary. Or again, where an industry is prosperous and has built up large reserve funds, it may not be inequitable to refuse a rise in prices in strict proportion to the rise in costs. On occasion, it may be advantageous to permit an increase in prices, but to relieve certain classes of those who would suffer; thus it may be considered to be against the nation's interest to add the whole of the increase in the cost of shipping services to the price of exports, and it was considered to be contrary to the public interest to apply the second increase in railway charges to workmen's tickets and season tickets. Finally, to secure more efficient use of facilities which have become scarce in war-time, it may be advisable to secure some measure of financial community of interest between undertakings which normally compete. Wartime price policy in the public utilities cannot be a simple matter; it should exercise the highest qualities of discriminating judgment on the part of those who are ultimately responsible—that is, of the economic members of the Government.

Of the three main branches of the transport industry, the railways have been distinguished in peace-time from road transport and shipping by the greater degree of control to which they are subject. In war-time, however—or at least in this war—the railways have escaped the full measure of control that has been imposed on shipping. They have not been taken over by the Government, as in the last war, and though they are subject to the directions of a Railway Executive Committee which is itself the servant of the Minister of Transport, the Committee is in fact composed of the general managers (or other representatives) of the railway companies. The financial arrangements were also designed to preserve to the maximum possible degree the independence of the railway companies. The main outline of the Agreement is well enough known from the controversy it has excited. It provides what is intended to be a virtually automatic correlation between costs and charges. If costs are certified to have risen, then the Railway Executive Committee must recommend, and the Minister of Transport can hardly refuse, increases in charges calculated to bring in an equivalent amount. The proposed increases in charges are scrutinised by a Consultative Committee—substantially the same in membership as the Railway Rates Tribunal—but its recommendations are confined to the form that the increases shall take, and it is not called upon to give an opinion on the advisability of the increases themselves. Under this machinery there have been two increases—the first in May, 1940, of 10 per cent., and the second, in December, 1940, of a further 6¾ per cent. of the pre-war rates. (These percentages were not universally applied to all charges.) The machinery has been specifically designed to ensure that railway charges shall depend upon costs alone and that other considerations shall be excluded. Thus, even in the somewhat unlikely contingency that the net revenue produced by increased charges should be larger than a reasonable return on the railways' capital (defined as the "standard revenue" of the Act of 1921), the excess is not to go to the consumer of railway transport, but to the Exchequer.

Merchant shipping has been requisitioned by stages. The last category to be requisitioned, at the beginning of the present year, was the tankers. Before the war, with the exception of the Conference rates for liners and the not wholly successful attempt of the Tramp Shipping Administrative Committee to put a bottom into the rates charged by tramp vessels engaged in the principal grain trades, shipping freights were determined in free—often in subsidised—competition. Since the war, however, the Ministry of Shipping has secured control over the greater part of the world's shipping and is in a position to control freights. For individual rates, the Ministry is free to discriminate upwards or downwards in the national interest; but for freights as a whole it is instructed to follow the principle of balancing income and expenditure, so that freights as a whole depend upon costs as a whole. The rates of hire for British ships, which have been agreed with the shipping organisations, are divided into basic rates—covering running costs (wages, stores, insurance of normal risks, etc.)—and fixed allowances for depreciation and interest on capital. The basic rates are adjusted from time to time; the fixed allowances, being based on the pre-war cost or value of the ship, remain unchanged. The Ministry itself bears the cost of fuel, dues and war risk insurance. In the absence of the necessary data and the complete change in circumstances, it is impossible to calculate the average increase in shipping costs. Nor, in view of the policy of discrimination and of the non-disclosure of the rates charged for Government traffic, is it possible to estimate the average rise in freight rates. The advance must have been substantial. To take two representative trades: the outward coal trade to the Lower Plate, and the homeward grain trade from the Plate to this country. In the former, controlled rates have recently been given at 38s. per ton, against an average of 13s. 3d. per ton in 1939; in the latter the rate charged by neutral vessels towards the end of 1940 was 115s. per ton, compared with an average of 21s. per ton in 1939. The level of shipping freights has an influence out of all relation to the income of the shipping industry—as the first few months of the war demonstrated so clearly. It should at least have been considered whether the money saved by the policy of requiring the Ministry of Shipping to be self-supporting was not the most expensive economy that could well have been contrived.

Compared with either the railways or shipping, the road transport industry has been strikingly exempt from control. Indeed, there can be said to have been some relaxation of control, for the greater part of the control

mechanism set up before the war was intended to limit the liberty of the industry to expand and was clearly inappropriate against the background of a shortage of all forms of transport. Unlike the railways, the road hauliers have no uniform system of charges, and the attempt to formulate such a system, initiated by the railways' demand for a "square deal," was abandoned. Freed from the extreme pressure of competition and faced with a rise in costs, road haulage rates have risen considerably. Figures that have been quoted in the *Commercial Motor* indicate that the cost of running a goods vehicle has risen since 1938 by about 20 per cent. for the lighter lorries and by a slightly higher proportion for heavier vehicles. The largest items in this increase are wages (which have increased by rather less than the average of all costs) and the cost of petrol (which has risen by 40 per cent.), but there have also been heavy proportional increases in the cost of insurance, tyres and repairs. Accurate information on the course of rates charged is not available, but it is probable that the average rise has been slightly higher than the rise in weekly running costs, the difference being explained by the increased difficulty of securing economic loading. Regulation 55 of the Defence (General) Regulations, 1939, gives the Ministry of Transport the power to control charges, and last October the Minister requested that no general increases in rates be made "without submitting the proposals to the Regional Traffic Commissioners." But Government control over charges has hitherto been far from strict or comprehensive, partly, no doubt, owing to the enormous difficulties of standardising haulage services.

The price policy of the gas and electricity industries was already closely controlled before the war, but the system of statutory control, administered by the Ministry of Transport in the case of electricity and by the Board of Trade in that of gas, differs, partly for historical reasons. Prime costs have naturally risen with the advance in the price of coal and other materials, but the incidence of the increase has been very uneven, as undertakings in some areas have experienced a substantial fall in sales while those in other districts have been able to maintain them. While electricity undertakings still operate within the price regulations in force before the war, gas undertakings have been enabled to increase their charges with a fall in output by an Order issued after the outbreak of war. (It is interesting to note that the principle of relating charges to changes in the volume of turnover, though operated in this case against the consumer, is excluded from operating in his favour in the case of the railways.) The increase in charges, like that in costs, has been far from uniform. Thus, of the electricity undertakings, numbering between 200 and 300, that have notified the Electricity Commissioners of a rise in charges, the majority have raised them to yield increases in revenue per unit sold ranging up to 20 per cent. A few undertakings that have suffered heavily from war conditions have raised their tariffs to yield as much as 50 per cent. more per unit sold. The Minister of Transport, however, pointed out in the House of Commons on February 7, 1940, that he would not hesitate to use his powers under the Defence Regulations to ensure that an unjustified burden was not placed upon consumers if it were shown to his satisfaction that the prices of any individual undertaking had been raised to an unreasonable extent, even within the limits of the authorised maxima.

In general, the Government appears to be guided in its policy towards public utility industries by the principle of allowing costs to be passed on to the consumer in increased charges, irrespective of whether their profits were high or low before the war. As a result there has been a widespread rise in charges which has given a decided upward twist to the general price level. While the policy of virtually guaranteeing pre-war profits—a privilege that is not shared by industry generally—is questionable, the Government does not seem to have given sufficient thought to the possibility of preventing, or slowing down, increases in charges, where it is to the general good, by the pooling of revenue or by other means, or, if necessary, by drafts upon the public purse. Nor, except in the case of shipping, has sufficient use been made of the possibility of discrimination between the charges made for different purposes, according to their importance in the war effort. Indeed, there seems no valid reason why the principle of charging adopted by the Ministry of Shipping should not also be applied to rail and road, assuming that the road haulage industry is to be fully controlled. Again, if some gas and electricity undertakings have been hard hit by evacuation or enemy action, and have been allowed to advance their rates by 50 per cent. or more, one solution would have been the formation of a pool for the earnings of these industries in order to spread the advance in costs over the industries as a whole.

Indeed, a search for an enlightened price policy in relation to public utility undertakings ends in disappointment because no such policy can be discovered. Each industry has been treated in isolation by the Government Department concerned. True, the conditions in which they operate differ widely, but it is surely not beyond the bounds of possibility to lay down, in a set of principles, the price policy most suitable to conditions of war.

War and Tobacco Shares

ON its record since the outbreak of war, tobacco comes near to being that Philosopher's Stone, Shareholder's Dream, and Chancellor's Delight—a commodity in completely inelastic demand. Although consumption statistics are unavailable, all the evidence suggests that the industry has taken heavy wartime increases in taxation and the war itself in its stride. The history of the last seventeen months, in fact, lends some colour to the "tobacco legend" of imperviousness to ill-fortune and infallible capacity to benefit from favourable chance, which has made tobacco company shares well-established favourites with conservative investors of all classes. Hardly any general unit trust formed before the war failed to include Imperial Tobacco (of Great Britain and Ireland) or British American Tobacco in its portfolio. And little more than a fortnight ago the chairman of the latter company gave "the interests of the numerous small stockholders" as a reason for the dividend policy which the company chose to follow.

This "legend" is worthy of closer examination, in the light of events and tendencies since the war started, because it is, in fact, the real security, and the only security, for Stock Exchange investment in tobacco shares. There are few industries about whose internal affairs the world knows less; for those responsible for the administration of the biggest tobacco concerns have made of reticence a fine art, and carried to its logical conclusion the principle that dividends speak louder than words. There are, however, exceptions to all rules, and the last annual speech of the chairman of Carreras, the largest company outside the "Imperial" group, included an informative review of trading conditions in the first year of war, which certainly suggested that so far the "legend" has been largely borne out by facts.

Such difficulties as have arisen are certainly not on the demand side. The company's plants—including an auxiliary factory recently opened—are working at full capacity. The chief problems are productive, distributional and financial. The productive problem arises because manufacturers are allowed to clear 90 per cent. of normal tobacco supplies from bond, but import and currency restrictions do not permit of anything like proportionate replacement by new supplies of leaf from abroad. The distributional problem is due to evacuation of large numbers of people from the great cities, the development of war work in new areas, and the stationing of ever-increasing numbers of Army and Air Force personnel in new camps and barracks. The export position, however, has presented, on the whole, fewer difficulties than might have been expected, since lost markets in Europe were far less important for the tobacco trade than the much larger number in the rest of the world with which communications are still maintained. The financial problem is the result of three

separate factors: the higher tobacco duty, which has largely increased the amounts which producers have outstanding with their customers; the increasing cost of materials, and the formidable cash provision which must be made for income tax and E.P.T. payments. The item "sundry creditors, including provision for taxation" in the Carreras' balance sheet has increased in a couple of years from £424,000 to £1,846,000, and the company is finding it necessary to look to its bankers for accommodation, in view of the impossibility of raising new capital in a closed market.

Certain of these contemporary problems may be more pronounced in the case of Carreras, whose business was expanding geometrically before the war, than in that of the "Imperial" group, whose operations were running more on an even keel of steady prosperity. But the published figures of the profits earned by all the big companies in their latest year, though they are anything but easy to interpret, suggest that gross income has at least been well maintained since the war started. Carreras shows earnings, before taxation and depreciation, 5½ per cent. higher in 1940 than in 1939. The profits of Imperial Tobacco, on the other hand (so far as can be deduced from the company's preliminary dividend statement) appear to have fallen by 13 per cent., from £10,220,000 to £8,873,000. But the actual earnings of the Imperial group are unknown, since the parent company publishes no consolidated figures, and draws from the subsidiaries only enough to pay its own dividends and to make an annual appropriation to reserve. Still more important under contemporary conditions, however, is the fact that all earnings, other than those required to pay preference dividends, are shown *after* making undisclosed provision for taxation. If the figures are "grossed up" for income tax alone, the indicated profits figure for 1940 is only slightly below that for 1939. Whether the group is liable to E.P.T. is uncertain, but it is clear that there has been, to say the least, no serious tendency for gross profits to decline. Much the same conclusion follows from an examination of the published profits (shown after taxation) of British American Tobacco, whose markets cover the "unoccupied" world outside Great Britain and the United States.

It is not surprising, in the light of this evidence, that tobacco share prices have shown a gratifying recovery after the *chute* of last May and June, when they suffered in common with all other equities, good and bad, while Hitler was overrunning Europe. On the other hand, they are well below the levels reached in earlier months of 1939, and still more below the peak quotations of 1936-37. This tendency, however, is obviously due to a reorientation of market ideas of what is appropriate by way of income yield on ordinary shares in general, rather than to any dissatisfaction with the income record of the big tobacco companies. The annexed table reveals, it is true, an ostensibly declining trend in earnings and dividends since 1937. But closer examination suggests that this is more apparent than real, since it is due mainly to the expression of the Imperial and B.A.T. figures on a "tax-free" basis in a period of rapidly rising income tax rates, and to a substantial share bonus issue in 1936, *plus* a considerable E.P.T. payment more recently, in the case of Carreras.

TOBACCO COMPANY EARNINGS AND DIVIDENDS

	1936	1937	1939	1940
IMPERIAL TOBACCO (G.B. & I.) (Years to Oct. 31)				
Profit, after tax (*a*) (£000)	10,636	10,751	10,220	8,873 (*b*)
Earned for Ord. (%, *tax-free*)	26·0	26·4	24·9	21·4 (*b*)
Paid on Ord. (%, *tax-free*)	25	25	23	20
Price of Ord. Stock £1 (*c*) Highest	9⅛	9⅛	7⅛	6⅛
Price of Ord. Stock £1 (*c*) Lowest	7⅛	6⅛	4⅛	3⅛
BRITISH AMERICAN TOB. (Years to Sept. 30)				
Profit, after tax (*a*) (£000)	5,542	5,760	5,165	4,865
Earned for Ord. (%, *tax-free*)	20·9	21·8	19·3	18·0
Paid on Ord. (%, *tax-free*)	20	21¼	19¼	17½
Price of Ord. Stock £1 (*c*) Highest	6⅜	6⅜	5¼	5⅛
Price of Ord. Stock £1 (*c*) Lowest	5⅛	4⅛	3⅛	2⅜
CARRERAS (Years to Oct. 31)				
Profits, before tax (£000)	1,292	1,403	2,087	2,206
Provisions for taxes (£000)	71	124	547	1,073
Earned for Ord. (%, *before tax*)	66·1	49·6	32·7	25·9
Paid on Ord. (% *before Tax*)	45 (*d*)	35	30	26¼
Total Issued Ord. Cap. (£000)	1,771	2,480	3,720	3,720
Price of "A" Shares £1 (*c*) Highest	12½	8⅞	6⅛	6⅛
Price of "A" Shares £1 (*c*) Lowest	8¾	7⅛	4¼	3⅛

(*a*) Except tax on £852,000 of preference dividends shown gross, for Imperial Tobacco, and £585,000 for B.A.T.
(*b*) Estimated from preliminary dividend statement.
(*c*) Calendar years.
(*d*) And 40% share bonus.

At present, the market values the leading tobacco equities on a basis closely comparable with the average for ordinary shares as a whole. Carreras "A" yield approximately 6¾ per cent. against *The Actuaries Investment Index* of 6.26 per cent. for a mixed bag of ordinary shares, while the dividend yields on Imperial Tobacco and B.A.T. ordinary, grossed up for income-tax at 8s. 6d., are 7.1 per cent. and 6.8 per cent. respectively.

ORDINARY STOCKS: PRICES AND YIELDS

	Imperial Tobacco	British American Tobacco	Carreras
Nature of Stock	Ord. £1	Ord. £1	"A" Ord. £1
Latest Price	4⅞xd	4⅜	4
Yield % On Last Earnings	4·4 (*a*)	3·9 (*a*)	6·5 (*b*)
Yield % On Div. for Latest Year	4·1 (*a*)	3·9 (*a*)	6·7 (*b*)

(*a*) Free of Tax. (*b*) Subject to Tax.

In peace-time, tobacco shares normally command a perceptibly lower yield basis than the general run of equities, as befits their semi-gilt-edged investment status and record. The market, therefore, may be expecting the possible advent of somewhat less satisfactory trading conditions for the industry, without discounting any really serious fall in gross earnings and dividends. The most serious threat is, of course, quantitative limitation of output and sales. The industry, so far, has avoided the fate of classification as a "luxury trade" and consequent slimming by departmental order. Its Achilles' heel is the drawing of its main raw material supplies over the dollar exchange. The extensive stocks of American leaf, of which it found itself fortunately possessed at the outbreak of the war, will not last indefinitely.

A second factor making for caution on the investor's part is the taxation prospect. "Inelastic demand" is a standing temptation to Chancellors of the Exchequer, particularly in the case of a commodity where the machinery of adjustment to increases of duty has been perfected by recent and reiterated experience. In the matter of E.P.T., Imperial Tobacco and B.A.T. would seem to be fairly favourably placed, as is shown by the figures, given in the first table in this article, of earnings for 1936 and 1937. The position of Carreras, however, is more vulnerable. And even B.A.T., as its chairman has frankly admitted, is faced by the probability of further increases of taxation in many countries abroad.

On the whole, therefore, the market's favourable, but cautious, estimate of tobacco share prospects may be as nearly right as any estimate can be in war-time, when nothing is certain and everything is possible. The verdict would seem to be, that investors who have tobacco shares in their portfolio should continue to hold them, but that any rise in their value, during the war, must come from a resumption of the recent upward tendency in equity shares generally, rather than from causes peculiar to the tobacco industry.

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Finance and Banking

Credit Position Eased

The position in the money market has eased considerably during the past week. The repayment of Treasury One's and the disbursements of interest on 4 per cent Consols on February 1st helped to swell the volume of bank cash. The position in the short-loan market has not, however, been one of abundance, as may be seen from the latest Bank return, which shows bankers' deposits at the very moderate level of £110,801,000. The banks have again found themselves called upon to make considerable transfers of revenue money, and though they have once more been freed from the obligation of paying over Treasury deposits, their cash resources have been sufficiently exiguous to make them rather diffident buyers of bills. The market, for its part, has recently had a succession of disappointing allotments at the weekly tenders and has been an equally diffident seller of bills. The credit position has thus balanced itself out nicely. The only day on which a semblance of stringency appeared was Tuesday, when the market had to take up the whole of the bills allotted to it this week. With very little help from the special buyer, however, the position was readily adjusted. The course of the authorities' open market operations this week has been somewhat blurred by the fact that the firm which acts for the authorities has been a potential buyer of large lines of bills—presumably for central banks or other semi-official quarters whose needs were not fully satisfied at recent tenders. Business has been transacted, but the motive for it has not been the easing of the credit position, but the satisfaction of the need for bills in the quarters concerned.

* * *

An Unusual Treasury Bill Tender

The short month of February is introducing its customary complications in the weekly tenders for Treasury bills. On Friday of last week the bills to be applied for fell into two scales: 88-day bills dated Tuesday of this week and 89-day bills dated all other days. The market syndicate appears to have spread its applications fairly evenly over the week, bidding £99 15s. for the 89-day bills and £99 15s. 1d. for the 88-day bills. The competition was exceptionally keen, as might have been foreseen from the fact that at the corresponding tender, three months previously, applications reached what was then the record level of £147,270,000. There was evidently a substantial volume of semi-official holdings of bills maturing, and to ensure their renewal the authorities, acting as agents of the holders, raised their bid price for the 89-day bills to £99 15s. 1d. At this figure all applications for both 88-day and 89-day bills were allotted in full, the actual amount of bills issued being £64,955,000, or £45,000 short of the maximum on offer. The market syndicate was allotted in full on its application for Tuesday bills, but missed the bills dated on other days of the week. The syndicate thus found itself with an allotment of bills equal to between 20 and 25 per cent. of the quota application of £65 millions. All these bills had to be taken up and paid for on Tuesday of this week. The outcome of the tender has been to reverse the slight recovery in bill rates which had been expected to develop this month. The average rate of discount on all bills allotted was £1 0s. 2.84d., compared with £1 0s. 4.40d. per cent. for the previous week.

* * *

Reimport of Sterling Notes

The restrictions on the imports of Bank of England notes into the United Kingdom were further tightened up at the beginning of this week. From February 1st the right granted to anyone entering the United Kingdom to bring with him £10 of bank notes (a right conceded last August when a general ban on the reimport of bank notes was announced) has been restricted to *bona fide* travellers. The restriction of this facility is clearly aimed at seamen and others who in the course of their normal occupation make frequent journeys between the United Kingdom and neutral ports in which free markets in bank notes have developed. In Lisbon, for example, the Bank of England note has recently been quoted in terms of dollars at a discount of about 50 per cent. on the official sterling-dollar rate. This state of affairs obviously provided opportunities for profitable, if limited, arbitrage transactions on the part of persons permitted to bring in £10 of notes into the United Kingdom on each of their routine arrivals in this country. Henceforth the currency needs of officers and men on board ship will be met by a system of certificates—a kind of substitute currency—issued by the masters of ships. Additional restrictions have also been placed on the currency which passengers are allowed to use while on board ship. In particular, the use of notes of £5 and higher denomination will be forbidden. To discourage the use of such notes of higher denomination outside the country will help to restrict whatever contraband traffic there may be in notes.

* * *

Silver Output

The powerful stimulus to the production of silver provided by the inauguration of the United States silver programme in 1933 was still operating last year, and carried the world output of the metal to a new high record. According to the estimates made by Messrs Handy and Harman, of New York, and recently published in this country in Sharps and Wilkins' "Bullion Review" for 1940, the silver produced last year by different countries was as follows:—

	1939 ozs.	1940 ozs.
U.S.A.	57,800,000	65,000,000
Canada	24,000,000	24,500,000
Mexico	80,000,000	83,000,000
Peru	19,000,000	18,500,000
Other American Countries	19,000,000	15,000,000
Australia and New Zealand	14,500,000	14,500,000
Japan	11,000,000	11,000,000
South Africa	1,200,000	1,300,000
Other countries	37,700,000	45,200,000
Total	264,200,000	278,000,000

* * *

Registration of Guilder Notes

A decree recently promulgated by the Netherlands Government required refugees from Holland residing in the United Kingdom to register guilder notes in their possession with a Netherlands consulate during the fortnight which ended on February 4th. These notes have been stamped by the consulates in question, and from now on it is only to stamped notes that the facilities for conversion into sterling will apply, that is, at the rate of £10 per week. The registration of refugees' guilder notes must be regarded as a precautionary measure to guard against the possibility of notes making their way out of occupied territory, and being presented for conversion into sterling. In the case of Belgium and France such registration was required very soon after the influx of refugees from those countries was completed. That Holland should now have followed suit need not be taken as an indication that a sudden influx of guilder notes into this country has been discovered. It is a wholly precautionary measure applied at a time when the supply of guilder notes remaining in refugees' hands must have dwindled to very small proportions indeed.

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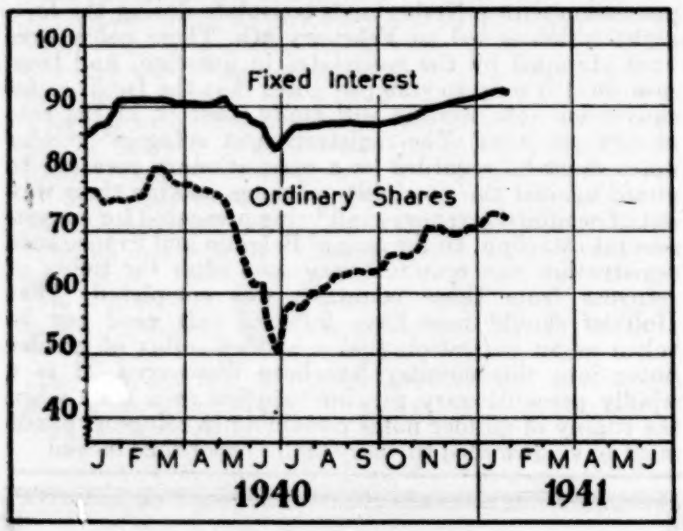
Investment

Cautious Buying

Although there has scarcely been a day for weeks past when it was possible to say that the investor was really active or that the stock market was notably strong, there has been a steady trickle of investment business, which has made the January contribution to recovery quite considerable. It is a rather remarkable fact that, while during most of the period the turnover has been small and most brokers have complained of a further decline in business, a select few have been experiencing a further slight increase in interest among their clients. Just as an undue proportion of business seems to have come to a comparatively small group of firms, and those by no means the biggest, so the full force of such rise as occurred was directed to a rather restricted list of securities, by no means all of which normally enjoy the largest market. It was pointed out in *The Economist* a fortnight ago that there was a tendency to take shares of companies with the best reputation in a number of industries, rather than to go for a restricted group of industries and to take shares of all concerns with reasonably good records in each of them. This movement continued up to the end of the month, but there has since then been a tendency for buying of a rather less discriminating character, coupled with renewed interest in home railway equities and junior prior charges. The character of the rise is reflected in the indices of *The Financial News*, a chart of whose recent movements appears below. This shows a definite resumption of improvement in equities which was, according to this measure, halted in December. A similar story is told by *The Actuaries' Investment Index*, whose price index of total industrial equities jumped from 49.5 to 50.8 after an increase of a mere 0.4 point in December.

FIXED-INTEREST AND EQUITY SECURITY MOVEMENTS (July 1, 1935 = 100)

Financial News indices of 20 fixed-interest securities (converted to new base) and 30 ordinary shares



The fact that a large section of the investing public is prepared to leave the field free to comparatively few courageous buyers, and that these are picking investments on a basis which seems to be compounded of the personal reputation of managements and the expectation of an upward secular trend for the industry concerned, is perhaps not difficult to understand. This is the season of the year when money tends to be rather short and when taxation uncertainties—as great this year as ever—increase liquidity preference. There is also the perpetual talk of invasion, which is only too likely to prove fairly soundly based. Logically, this should not have any protracted effect on the general level of prices, and it is probable that, provided the next two or three months bring nothing disastrous, the way will be clear for even the most timid to take part in a further rise. Certainly there are a number of developments which favour such a movement, if it is admitted that prices should rise with any development which increases our chance of victory. Apart from the continued advances in Africa and Albania, there have recently been developments of the first importance at home. After a long period of gestation, the conviction that we must make our maximum effort, if we are to win the war, has given way to action. Something like a mobilisation of industrial man- and woman-power is now in preparation, and it is certainly no coincidence that this has been accompanied by changes in the machinery of administration which promise some improvement in the character of the decisions reached, as well as in the speed of their execution. These can scarcely have been fully discounted in the recent rise, because it was not clear that they would occur. Perhaps the investor will wait to act until he finds it possible to judge the tempo of the new movement. Meanwhile, the "House" has made its contribution towards assisting recovery by adopting the overdue extension of hours to 3 p.m.

* * *

Yield Anomalies

The moderate rise in prices which occurred last month, although most evident in relatively few shares, none the less, in a minor degree, affected quite a large number. According to the figures of *The Actuaries' Investment Index*, the only groups to show a fall in prices on the month were banks, aircraft companies and gas undertakings. The falls in these sections have so far exceeded the decline in dividends, and yields have risen. It seems doubtful whether there is any basis, other than political fears, for the decline in bank share prices, and it is rather difficult to understand why aircraft shares should again yield over 12 per cent. The aircraft industry is one in which the secular trend is certain to be upward in peace time. Actually, it seems possible that investors fear a repetition of the history of the motor trade after the previous war, and it is certain that, where reputation is excellent, buying has been attracted. Thus, the yield of Rolls Royce is a mere 5.15, but that of Bristol is 9.63, while Hawker Siddeley gives almost 13.55 per cent. To take an example from the other end of the scale, one of the best price rises on the month is from 91.8 to 95.1 in the electric light and power group. In this section, the average yield is 5.37, while Edmundson's, which is, of course, a holding company, gives only 4.85. As against this, the London companies are yielding well over 7 per cent., while the participating preferred capital of the Altrincham company returns 7.81. It is not easy to find gas stocks which are popular, but it is, of course, the case that the bulk of gas companies, except those operating in the largest, and consequently the most vulnerable, towns, have no market, and have, until recently, been sold by auction or tender. Most of the other changes in the index, given in the accompanying table, speak for themselves. The yield is, of course, the measure of change in status of the industries in question. While the yield on Old Consols has fallen only by 0.02 and that on industrial debentures by 0.05, the corresponding preference stocks show a fall in return of 0.12 and the equities of 0.21. Evidently the

ACTUARIES' INVESTMENT INDEX

Group and Number of Securities	Price Indices (Dec. 31, 1928 = 100)				Yields per cent.		
	Jan. 30, 1940	June 25, 1940	Dec. 31, 1940	Jan. 28, 1941	Jan. 30, 1940	Dec. 31, 1940	Jan. 28. 1941
Fixed Interest							
2½% Consols	131·3	126·2	136·9	137·5	3·40	3·26	3·24
Home Corporations (4)	126·7	123·0	127·5	128·3	3·68	3·65	3·63
Industrial Debentures (43)	108·1	103·7	107·0	108·2	4·38	4·44	4·39
Industrial Preference (101)	92·7	82·3	88·8	90·9	4·79	5·08	4·96
Ordinary Shares							
Banks and Disc. Cos. (10) ...	102·9	74·9	93·7	92·1	4·41	4·85	4·93
Aircraft (5)	56·5	28·4	50·1	47·5	10·57	11·44	12·09
Building Materials (6)	48·4	33·7	56·5	62·3	7·86	4·99	4·53
Elec. Light and Power (16)	103·0	76·9	91·8	95·1	5·23	5·54	5·37
Electrical Manufg. (13) ...	113·4	87·0	108·3	113·6	5·51	5·95	5·65
Gas (8).....	79·5	67·8	64·9	61·2	6·72	6·22	6·65
Iron and Steel (18)	56·1	31·6	47·1	49·2	6·53	7·36	7·0
Total Productive (90) ...	*61·1*	*40·8*	*53·1*	*54·7*	*6·30*	*6·62*	*6·42*
Home Rails (4)	42·2	25·9	33·6	35·1	0·32	9·60	9·03
Total Distributive (29)	*41·0*	*28·7*	*34·3*	*34·7*	*5·49*	*6·05*	*5·77*
Total Miscellaneous (40)	*63·3*	*45·0*	*57·3*	*58·4*	*5·75*	*6·44*	*6·23*
TOTAL INDUSTRIAL (159)	56·6	38·9	49·5	50·8	6·01	6·47	6·26

process of reducing the margins is at work once more. It is very likely that it may go further yet, but perhaps not until the outlook is less obscure. Meanwhile, a new savings drive is on the way, and it is possible that a renewed rise in the Funds will receive fresh assistance from further disbursements on vested stocks and possibly from a further replacement of bank advances by investments.

* * *

The Broken Hill Issue

An issue of capital of any sort—and those to existing shareholders are all that Treasury regulations permit—is to-day an event in itself, and the offer of 2½ million shares of £1 at par to holders of existing capital in Broken Hill Proprietary has the added attraction that the offer is at £A1, while the market price is 36s. Approximately a year ago, holdings were increased by a 64 per cent. capital bonus, designed to give the proprietors what they had paid in premiums on new issues. Now they may take up an additional 22 shares for every 100 held, an offer which gives a bonus of something like 3s. 6d. per old share. Broken Hill Proprietary is now, of course, the leading iron and steel group in Australia, and an investment in it means a participation in the war effort of the Dominion. At the price of 36s., which may mean 33s. ex bonus, the yield may well be rather modest. The interim dividend was 9d. per share, in Australian currency, and the year ends May 31st. (No doubt profits will increase, but so may taxes.) At present, apart from British income tax, the company has to pay 2s. in the pound Federal Tax and about 3s. 1d. New South Wales State tax on all taxable profit. There is a further Federal tax of 2s. in the pound on undistributed profits, which will encourage a liberal dividend policy, and there is the Wartime Profits Tax. The last is a somewhat complicated impost, designed to avoid some of the worst features of E.P.T. at 100 per cent. The tax is on a sliding scale on all profits in excess of 8 per cent. on the " capital employed "—a term which may be capable of more than one interpretation. The tax rises from 4 per cent. on the first 1 per cent. earned over the basic eight to 8 per cent. on the second 1 per cent., and so on by equal stages to 56 per cent. on the fourteenth increment, after which it flattens out at 60 per cent. on the remainder. Recent earnings have been at the rate of approximately 15 per cent. on the capital, as increased by the bonus of a year ago, and dividends at about half that rate. It is, however, far from certain that this figure of some £11,500,000 will be accepted as the basis for taxation. The British holder is subject to all the taxes enumerated, but is, presumably, able to obtain relief from U.K. tax up to half of the standard rate. No doubt taxation will increase in both countries, but, unless there is a drastic revision of the Wartime Profits Tax, shareholders should continue to gain some benefit from any expansion in profit. Turnover can scarcely fail to rise and, provided that profit margins are not heavily cut, the investment seems to offer some attractions.

Company Notes

Hawker Siddeley Report

In so far as it goes, the report of Hawker Siddeley Aircraft, the holding company, for the year to July 31, 1940, is a satisfactory record of progress maintained. Total income, which is shown after tax and administrative charges, has increased from £811,834 to £818,196, and the moderate reduction in the sum earned for dividends from £757,766 to £690,672 is occasioned only by the payment of a full year's dividend on the newly issued 4 per cent. debenture stock, together with an increase in the allocation to reserve for redemption of this issue from £2,532 to £32,468. The allocation to preference redemption fund is increased from £183,577 to £190,280, leaving equity earnings of £382,365 against £436,689. The rate of these is approximately the same as in the previous year at 43.9 per cent., providing a generous margin for the 32½ per cent. dividend on ordinary capital, and the carry-forward is up from £221,012 to £320,447. The value of the report is, however, considerably impaired by the failure to include detailed information relating to the profit position of the operating companies and the customary consolidated balance sheet. If it is the case that publication of these items would involve considerable further delay in the publication of the accounts, it must be pointed out that the lag in accounting appears to be even greater than is customary in these disturbed times, for the accounts of the holding company are already more than six months in arrear and the operating companies must presumably have closed their financial year prior to July 31st last. As far as the balance sheet of the holding company is concerned, there is ample evidence of continued expansion. It is pointed out by Mr T. O. M. Sopwith, the chairman, in his speech circulated with the report, that the bank balance in the previous accounts, represented by the unused proceeds of the debenture issue, is now almost wholly absorbed in loans to operating companies secured on the debentures. Thus, loans at July 31st last stood at £3,386,250 against £2,186,250, while cash holdings had declined from £1,425,012 to £113,977. Moreover, advances to a subsidiary company had increased from £996,213 to £1,295,822. The liabilities side of the statement shows little change, other than a reduction in sundry creditors from £182,622 to £77,115. The Hawker Siddeley 5s. ordinary shares, at 12s. 6d., yield £13 10s. 10d. per cent., compared with an average of 12.09 for the aircraft group.

* * *

Boot and Shoe Results

The recently published results of a number of boot and shoe manufacturers, who close their financial year in November or December, show that in every case the improved earnings of 1939 have been surpassed. The great majority of the companies, whose results over the past three years are analysed in the following table, have increased the distribution on ordinary capital. Thus, Lotus, Ltd., whose total income shows a satisfactory increase from £97,769 to £149,054, have raised the ordinary dividend from 7 to 9 per cent., and Bignells are paying 6 per cent. against nil from total profits, which in the past three years have risen from £5,969 to £44,551. In the latter case, the rate of equity earnings has actually fallen from 17.1 per cent. in 1939 to 7.5 per cent. in 1940 on account of substantially higher tax obligations, but is adequate to cover the 6 per cent. distribution. Earnings of L. J. Weber and Phillips have also enjoyed a spectacular recovery since 1938 from £8,068 to £18,324, and the ordinary dividend has been raised from 3½ to 8½ per cent.

Company (years ending December 31)	Total income	Earned for ordinary		Div.	Present	
		Amount	Rate		Price	Yield
	£	£	%	%		£ s. d.
William Timpson:						
1938	157,996	82,919	22·9	15	5s. ord. shares at 15/-	5 0 0
1939	190,955	85,351	25·3	15		
1940	202,002	85,872	29·8	15		
L. J. Weber & Phillips:						
1938	8,068	6,668	3·6	3½	10s. ord. shares at 6/3	13 6 0
1939	17,726	16,326	9·5	7½		
1940	18,324	16,924	9·6	8½		
Bignells, Ltd.†:						
1938	5,969	*Dr. 3,099*	Nil	Nil	2s. ord. shares at 1/3	9 8 0
1939	23,490	8,359	17·1	Nil		
1940	44,551	3,426	7·5	6		
Lotus, Ltd.:						
1938	58,726	7,460	1·5	4	£1 7% cum. pref. at 22/6	6 4 0
1939	97,769	35,521	7·8	7		
1940	149,054	51,224	12·8	9		
Stead & Simpson:						
1938	50,074	24,626	20·5	10	•	
1939	56,664	22,519	13·6‡	10‡		
1940	63,622	3,122	1·6	10		
John White (Impregnable Boots) Ltd.:						
1938	40,953	14,145	11·3	12½	5s. ord. shares at 11/6	7 12 6
1939	50,490	21,333	18·3	15		
1940	52,814	27,435	25·3	17½		

† Financial year ends November 30 approx.
‡ On capital of £140,000; subsequently on capital of £200,000. • Not available.

The apparent drop in the rate and amount of the Stead and Simpson equity earnings, despite the rise in total earnings from £56,664 in 1939 to £63,622, is explained by allocations of £12,500 to provide for war damage insurance premiums, of £10,000 to property rebuilding account—the first allocation since 1930-31—and of an additional provision for income tax at £8,000. The carry-forward is reduced only from £106,064 to £82,187 after making these allocations and after maintaining 10 per cent. on an ordinary capital increased from £140,000 to £200,000. William Timpson is maintaining the 15 per cent. ordinary payment made in the two previous years, despite the increase in gross profits from

£190,955 to £202,002 and in the rate of earnings for ordinary capital from 25.3 to 29.8 per cent. No doubt the major part of last year's improvement in earnings was due to realisation on the part of the public that the last chance to buy for stock was rapidly passing. Shortage of supplies, the purchase tax and bomb damage to property must tend to restrict a further rise in this source of income in the current year. The demand for footwear for the fighting services will no doubt increase for some time to come, but it is unlikely to yield as high a profit margin as sales of civilian footwear have done in 1940. In general, while utility will doubtless be more important than in the past, it is likely to remain the case that, with competition increasing for the smaller market, ability to gauge customers' taste will remain a decisive factor in the results of individual companies. Of the six companies, Weber and Phillips and John White manufacture only, while the others are interested also in retail shops. The figures give no clear answer to the question whether the simple manufacturer has an advantage over the vertical group, such as Lotus.

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Further Investment Trust Results

A second batch of investment trust results—a first group was discussed in *The Economist* of January 4, 1941—confirms the view that revenue has on the whole been satisfactorily maintained during the first full year of war. In any case, none of the trusts, whose results for 1939-40 are analysed in the following table, has lowered its payment on equity capital, and one of them, Second Scottish Eastern, has actually raised its dividend from 4½ to 5 per cent. There are fewer cases where a higher total income has been realised than in the earlier list, but Second Scottish Eastern and Third Scottish Northern have both earned satisfactory increases in total revenue and equity surpluses alike. In the first case, the rate of equity earnings has improved from 5.3 to 7.3 per cent. and, in the second, from 3.4 to 3.9 per cent. Total earnings of Debenture Corporation again showed a moderate decline, but the equity surplus of £71,496 against £79,304 actually represents a rise in the earned rate from 11.5 to 11.9 per cent. The decline in total income, suffered by Great Northern Investment and River Plate and General Investment to £166,060 and to £59,823 respectively, are in both cases less than £1,000. It is clear that last year income losses have been much less severe, as far as investment trusts are concerned, than capital losses. In the majority of cases, no indication of the extent of the depreciation of market value of investments against book value is provided. Whatever the loss, there is no reason to suppose that investors would succumb to panic if told the truth. Indeed, there is good reason to believe that publication of current depreciation would be less alarming than the present cult of obscurity. It is interesting that the two trusts, which have continued to publish an estimate of depreciation, show a divergence between market and book value of no more than 20.6 per cent. in the case of Great Northern Investment and of 31.34 per cent. in the case of Third Scottish Northern. At present prices, yields on investment trust stocks range between 5½ and 7 per cent. and compare satisfactorily with general industrial yields. It is probable that dividends in the current year, influenced by lower net earnings for industry, may be moderately reduced, but the considerable resources of a large number of trusts will tend to promote stable dividend policy.

Trust (and Date of Accounts)	Total Rev.	Earned for Equity		Ord. Div.	Valn. of Invsts.†	Present	
		Amt.	Rate			Price	Yield
	£	£	%	%	%	Stk.	%
Debenture Corporation (Dec. 31):							
1938	241,902	88,965	12·3	10	− 7·6	153	6·5
1939	234,750	79,304	11·5	10	*		
1940	233,055	71,496	11·9	10	*		
Gt. Northern Investment (Nov. 30):							
1938	178,007	42,674	9·7	6½	+ 1·8	85½	7·0
1939	166,942	36,923	9·2	6	− 8·6		
1940	166,060	32,101	9·2	6	−20·6		
Second Scottish Eastern (Nov. 30)†† :							
1938	75,491**	13,002	5·8	4½	−17·4	52	10·1
1939	72,679**	10,697	5·3	4½	−17·3		
1940	78,323**	12,977	7·3	5	*		
Third Scot. Northern (Dec. 15):							
1938	48,469	796	4·4§	Nil	−17·5	26½	5·7
1939	45,498	4,492	3·4	1½	−23·7		
1940	46,052	4,574	3·9	1½	−31·34		
River Plate & General (Dec. 31):							
1938	63,908	35,618	14·1	10	− 9·07	151½	6·6
1939	60,784	31,173	12·1	10	−18·21		
1940	59,823	29,850	11·5	10	*		

* Not available. § With deduction of 1 year's preference dividend only: 0·5 per cent. after payment of preference arrears.
† Appreciation or depreciation compared with book cost.
** Excluding arrears of interest and dividends carried to Contingent Fund.
†† Investment depreciation shown after reserves.

THE STOCK EXCHANGES

London

Note : all dealings are for cash

With sentiment hopeful but cautious during the past week, and business before the week-end severely curtailed by the number of daylight alerts, price movements have generally been irregular and trendless. After some selling of gilt-edged at the beginning of the week, a moderate rally took place and prices in this market subsequently remained firm. Before the week-end, interest in home rail junior stocks revived and continued until mid-week. The market in industrial issues was weak on the whole, though at times the iron and steel section showed to advantage. In the mining and commodity markets, business was at a very low ebb.

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After a day, in which business was restricted by constant alerts, at the close of last week, the *gilt-edged* market opened on Monday with prices rather easy and a long list of issues, including 2½ and 4 per cent. Consols, 2½, 3 and 4 per cent. Funding and Victory Bonds, all lost ½. On the following day these losses were mainly recovered, and 3½ per cent. War Loan, which was strongly in demand, put on ¼ point to close at 103½. Subsequently, the demand for the funds was well maintained. In the *foreign bond* market, Japanese issues returned to favour and most stocks improved, although on Tuesday the 4 per cent. bonds of 1899 eased ¼ point. The market was characterised by a strong and persistent demand for French railways, and there was support for such miscellaneous issues as Czech, Austrian and Mexican bonds and for the City of Danzig 5 per cent. loan of 1925.

★

Renewed optimism regarding dividend prospects was responsible for further buying of junior *home rail* issues, marginal stocks were also in favour, and L.M.S. 5 per cent., redeemable 1955, improved 2 points on Tuesday. Before the week-end, Southern preferred gained ½ point and the deferred stock ⅜, and most of the other ordinary issues also improved, although L.N.E.R. preferred and deferred remained relatively neglected. Outside the home rail market, a sudden improvement in demand gave rise to a gain of 12 points in the price of Bengal and North Western on Tuesday, when Canadian Pacific ordinary eased ¼, following a similar decline before the week-end.

★

In the *industrial* market most sections were weak. A number of aircraft issues, including Bristol, De Havilland, Fairey and Hawker, all lost ground early in the week. Among breweries, Courage, Distillers and Bass were offered, and the tobacco leaders were also easy. The only section which showed general resistance to the downward trend was the iron and steel group, where small gains extended to Vickers, B.S.A., Guest Keen, Baldwins and Staveley. At no time was selling on a large scale, and price movements remained very narrow. Among general industrials, there was some reaction in the price of Associated Portland Cement, and both I.C.I. and Lever and Unilever were quoted lower. Brazilian Traction and International Nickel continued the downward course of recent weeks.

★

The *kaffir* market showed no tendency to give way on news of the Johannesburg riots, but dealing became subdued and turnover low. On later advices, prices were on the whole well maintained, Sub Nigel correcting a loss of ½ on Monday on the following day and E. Geduld, Rose Deep and Johnnies all improving. Although the market was sufficiently satisfied with the dividends declared before Tuesday's close by Ashanti and Bibiani, the reduction in the dividend of the former was responsible for the loss of a few pence in its price. Very little business took place in the *rubber* market, although Allied Sumatra was sold in a small way. In the *oil* market, sentiment revived on Tuesday under the

influence of renewed successes in Africa, and Anglo-Iranian, Shell and Trinidad Leaseholds were all supported. Throughout the week, Mexican Eagles enjoyed small but persistent buying.

"FINANCIAL NEWS" INDICES

1941	Approx. Total Bargains in S.E. List	Corres. Day 1940	Security Indices: 30 Ord. shares*	Security Indices: 20 Fixed Int.†
Jan. 30	1,616	*4,080*	71·9	127·0
„ 31	1,267	*4,265*	71·9	126·9
Feb. 3	2,821	*6,167*	71·8	126·8
„ 4	2,131	*4,405*	71 5	126·9
„ 5	2,183	*4,655*	71·2	126·8

* July 1, 1935=100. † 1928=100. 30 Ordinary shares, 1941: highest, 73·7 (Jan. 17); lowest, 70·3 (Jan. 2). 20 Fixed Int., 1941: highest, 127·1 (Jan. 20); lowest, 126·1 (Jan. 2.).

New York

PREVAILING uncertainty as to the future of the international situation survived the week-end and continued to restrain improvements in prices. Before the week-end, newspaper publicity for the view that invasion of Britain was imminent served to depress prices, which generally recovered during the present week on the assumption that a technical rally is overdue. Both these movements, however, showed themselves only in fractional gains and losses, and price changes continued to be narrow, with business at a low ebb. Rail securities were a firm spot, but motor issues eased under market disappointment with the General Motors dividend, and steel and aircraft securities moved uncertainly. Among domestic influences, the Tax Bill is proving a sobering factor. In midweek, markets became firmer under the leadership of steel issues. The *Iron Age* estimates steel mill activity at 96 per cent. of capacity, against 97 per cent. in the previous week, to which it had declined from 99 per cent.

New York Prices

Total share dealings:—Jan. 29, 600,000; Jan. 30, 780,000; Jan. 31, 470,000; Feb. 1, 310,000; Feb. 3, 490,000; Feb. 4, 350,000.

	Close Jan. 28, 1941	Close Feb. 4, 1941
1. Railroads		
Balt. & Ohio...	3⅞	3⅝
Gt. Nthn, Pf.	27	25⅝
Illinois Cent. ..	7⅝	6⅝
N.Y. Cent. ...	14	12⅝
Northern Pac.	6⅝	6
Pennsylvania..	23⅝	22⅝
Southern ...	13⅛	12⅛
2. Utilities, etc.		
Amer. Tel.	165⅛	160
Amer. W'Wks.	6⅛	6
Pac. Light	37⅞	36⅝
Pub. Sv. N.J...	28⅝	28⅛
Sthn. Cal. Ed.	26⅛	25⅝
United Gas.....	9⅝	9⅜
3. Commercial and Industrial		
Amer. Metal...	18⅛	17⅜
Am. Roll. Mi...	14⅛	13⅛
Am. Smelting	42⅛	39⅞
Anaconda.....	25⅛	23⅝
Briggs	23⅛	21⅛
Celanese of A.	26⅛	24⅛
Chrysler	66⅛	64⅛
Curt. Wr. "A"	28⅛	26⅛
Eastman Kdk.	137⅛	128
Gen. Elec.....	34⅛	32⅜
Gen. Motors...	44⅛	42⅜
Inland Steel ..	86⅛	84⅛
Int. Harvest...	50⅛	48
Int. Nickel ...	26⅛	24
Liggett Myers	94⅛	92⅛
Nat. Dairy ...	13⅛	13
Nat. Distillers	22⅛	21
Nat. Steel.....	62⅛	60⅛
Proct. Gamble	56⅛	54⅛
Sears Roebuck	75⅛	71⅛
Shell Union ...	10⅛	10⅛
Socony Vac....	9	8⅛
Stan. Oil N.J.	34⅛	34
20th Cen. Fox	6⅛	6
U.S. Steel ...	67	61⅛
West'hse El....	98⅛	92⅛
Woolworth ...	32⅛	31⅛
Yngstn. Sheet.	39⅛	35⅛

STANDARD STATISTICS INDICES
(1926 = 100)
WEEKLY AVERAGES

	1941 Low Jan. 29	1941 High Jan. 15	Jan. 15, 1941	Jan. 22, 1941	Jan. 29, 1941
347 Industrials	91·1	b96·0	95·0	92·8	91·1
32 Rails.....	27·3	28·0a	27·9	28·0	27·3
40 Utilities	77·0	78·7	78·7	77·8	77·0
419 Stocks	78·5	82·1b	81·5	79·9	78·5
Av. yield*	6·46% High	6·13% Lowb	6·22%	6·37%	6·46%

* 50 Common Stocks. (a) Jan. 22.

DAILY AVERAGE 50 COMMON STOCKS

Jan. 23	Jan. 24	Jan. 25	Jan. 27	Jan. 28	Jan. 29
100·90	101·30	101·70	101·70	101·10	99·40

1941 High: 105·80, January 10th. Low: 99·40, January 29th.

Capital Issues

Week ending February 8, 1941	Nominal Capital	Conversions	New Money
	£	£	£
To the Public	Nil	...	Nil
To Shareholders.....	Nil	...	Nil
By S.E. Introduction	Nil	...	Nil
By Permission to Deal	6,033	...	4,524
Nat. Savings Certs.†...	2,929,097	...	2,929,097
3% Defence Bonds†(s)	2,872,005	...	2,872,005
2½% Nat. War Bonds‡	48,343	...	48,343
Ditto, 2nd issue†(w)...	6,629,897	...	6,629,897
3% Savings Bonds†(t)	4,676,806	...	4,676,806

† Week to January 28th, 1941. ‡ Week to January 28th, 1941, making total since June 25th, £444,161,825. (s) Total sales to January 28th, 1941, £215,132,400. (t) Total sales to January 28th, 1941, £28,329,283. (w) Total sales January 2nd, 1941, to January 28th, 1941, £36,876,659.

Year	Including Conversions	Excluding Conversions
	£	£
1941 (New Basis)	(a)106,684,253	(a)106,684,253
1940 (New Basis)	*383,806,364*	*31,051,231*
1941 (Old Basis).....	(a)106,624,943	(a)106,624,943
1940 (Old Basis).....	*380,587,933*	*27,932,800*

Destination (Conversions Excluded)

Year	U.K.	Brit. Emp. ex U.K.	Foreign Countries
	£	£	£
'41 (New Basis) ...	106,660,725(a)	23,528	Nil
'40 (New Basis) ...	*30,996,729*	*54,502*	*Nil*
'41 (Old Basis) ...	106,624,943(a)	Nil	Nil
'40 (Old Basis) ...	*27,932,800*	*Nil*	*Nil*

Nature of Borrowing (Conv. Excld.)

Year	Deb.	Pref.	Ord.
	£	£	£
'41 (New Basis) ...	106,660,725(a)	8,541	14,987
'40 (New Basis) ...	*22,895,650*	*19,238*	*2,591,343*
'41 (Old Basis) ...	106,624,943(a)	Nil	Nil
'40 (Old Basis) ...	*27,825,000*	*Nil*	*107,800*

"Old Basis" includes public issues and issues to shareholders. "New Basis" is all new capital in which permission to deal has been granted. (a) Repayments 4 weeks to January 25th, 1941, £165,000. National Savings Certificates, £218,560. Defence Bonds, £29,728. Savings Bonds have been deducted.

ISSUES TO SHAREHOLDERS ONLY

Broken Hill Proprietary Co., Ltd.—Issue of 2,500,000 shares £A1 at par in proportion of 22 to every 100 shares of their holding as on February 14th, 1941. Australian Government has consented to the issue. Permission of the British Treasury has been granted for issue to shareholders on the London register. The new money is required for "Shipbuilding, munitions, and other war work."

Shorter Comments

This Week's Company Results.—A welcome revival in the earnings of ENGLISH VELVET AND CORD DYERS has permitted the company to declare an ordinary dividend of 2½ per cent. against nil. Gross profits rose from £40,014 to £57,399, and net earnings even more strikingly from £13,952 to £36,550. OMNIUM INVESTMENT TRUST is maintaining the 3½ per cent. ordinary payment with earnings which show a slight increase in both gross and net totals from £114,076 to £115,134 and from £52,350 to £53,598 respectively. GENERAL CONSOLIDATED INVESTMENT has suffered a moderate decline in total revenue from £94,971 to £88,392 and in the net figure from £39,686 to £31,854, but is repeating the 7 per cent. dividend. Total income of the YORKSHIRE WATERWORKS improved from £68,607 to £79,557, but increased allocations to depreciation caused a small decline in net profits from £11,784 to £11,608. This company is also repeating the previous year's 7 per cent. dividend. The reduction in net earnings of THOMAS MARSHALL, MARLBECK, clothing manufacturers, from £31,417 to £18,849, despite a rise in gross profits from £64,931 to £72,179, is due to the company's sharply increased tax liability. The 25 per cent. ordinary dividend is maintained.

Continued on page 202

LLOYDS BANK

LIMITED
Head Office: 71 Lombard Street, London, E.C.3

1677

Chairman
THE RT. HON. LORD WARDINGTON
Deputy Chairman SIR AUSTIN E. HARRIS, K.B.E.
Vice-Chairman SIR FRANCIS A. BEANE
Chief General Managers
R. A. WILSON, SYDNEY PARKES
Joint General Managers
W. G. JOHNS, D.S.O., S. P. CHERRINGTON, L. A. STANLEY, G. D. GOLD

Statement of Accounts
31st December, 1940

LIABILITIES	£
Paid-up Capital	15,810,252
Reserve Fund	10,000,000
Current, Deposit, and other Accounts	491,872,992
Acceptances	680,057
Endorsements, Guarantees, and other Obligations	19,587,423

ASSETS	
Cash in hand, and with the Bank of England ...	57,633,935
Balances with and Cheques on other Banks in the British Isles	21,856,582
Money at Call and Short Notice	22,288,549
Balances with Banks abroad	4,989,574
Bills Discounted	41,000,691
Treasury Deposit Receipts	65,500,000
Investments at or under Market Value	135,031,133
Investments in Subsidiary and Auxiliary Companies:–	
The National Bank of Scotland Ltd.	3,120,924
Lloyds & National Provincial Foreign Bank Ltd.	600,000
Indian Premises Company Ltd.	54,502
Loans and Advances	140,532,817
Other Assets and Accounts	17,897,681
Bank Premises	7,176,856
Liabilities of Customers for Acceptances, &c....	20,267,480

Industry and Trade

Unemployment in January

The reduction in unemployment between December 9th and January 13th was small; the number of persons on the registers of employment exchanges in Great Britain fell by only 9,673, from 705,279 to 695,606. It should be remembered, however, that normally unemployment shows a sharp seasonal increase between December and January; a year ago, for example, the number registered as unemployed rose from 1,362,000 to 1,519,000. Further analysis of the returns shows that the number of wholly unemployed fell by 20,512 to 521,388 on January 13th, and that the number temporarily stopped and normally in casual employment rose by 10,839 to 174,218. Changes in the number of registered unemployed, however, are no longer an indication of the increase in the intensity of the war effort on the economic front. It may be difficult to reduce the unemployment register below the half-million mark, for some persons will always be between two jobs, while others will be temporarily unemployed through adverse weather conditions, for example. But there is considerable scope for speeding-up the transfer of labour from unessential to essential occupations.

* * *

Improvement in Overseas Trade

The trade returns for December reflect the reduction in the intensity of the battle on the Atlantic front and the decrease in the number of air raids upon this country. The improvement in trade has been small, but is nevertheless welcome. Imports rose in value from £72.9 millions in November to £73.6 millions in December, while domestic exports increased from £21.7 millions to £24.4 millions. Compared with the corresponding month in 1939, however, the value of imports last December showed a decline of 15 per cent. and that of domestic exports one of 40 per cent. Moreover, in view of the rise in prices during the past year, the decrease in the volume of trade must have been appreciably greater than the fall in its value. There was a decrease between November and December in the value of the intake of food and drink and of raw materials, but an increase in that of manufactures—chiefly in the non-ferrous metals, oils, fats and resins, and vehicles categories. The improvement in exports was fairly general; it included vehicles, textiles, iron and steel, pottery and glass and chemicals. Shipments of machinery and of coal showed a further decline; those of coal were only £679,000 last December, against £3,508,000 a year earlier. A survey of the course of the trade in the past year shows that imports and exports rose steadily during the first four months, but fell abruptly from May onwards with the extension of the Nazi hegemony on the Continent. Recovery later in the year was prevented by the intensification of Germany's submarine-air attacks upon merchant ships and ports. The value of domestic exports last year was 6.1 per cent. smaller than in 1939, but that of imports still showed an increase of 24 per cent. As a result the excess of imports over exports showed a further increase of £261 millions to £661 millions in 1940.

U.K. Imports and Exports

	1938	1939	1940	Change between 1939 and 1940	
	£'000	£'000	£'000	£'000	%
December					
Total imports	74,132	86,585	73,575	− 13,010	− 15·0
British exports	39,098	40,169	24,397	− 15,772	− 39·3
Re-exports	4,779	2,500	653	− 1,848	− 73·5
Total exports	43,877	42,670	25,050	− 17,620	− 41·3
Excess imports over exp'ts	30,255	43,915	48,525	+ 4,610	+ 10·5
Transhipments under bond	2,852	2,270	376	− 1,894	− 83·4
Twelve Months ending December					
Total imports	919,509	885,513	1,099,869	+ 214,356	+ 24·2
British exports	470,755	439,536	413,084	− 26,452	− 6·1
Re-exports	61,525	46,033	26,189	− 19,844	− 43·1
Total exports	532,280	485,569	439,273	− 46,296	− 9·5
Excess imports over exp'ts	387,229	399,944	660,596	+ 260,652	+ 65·2
Transhipments under bond	32,530	29,551	3,104	− 26,447	− 89·5

Plan for Cotton

On Saturday of last week Mr Raymond Streat, chairman of the Cotton Board, gave an account of the Board's work and of the kind of policy that would ensure the cotton trade's future after the war. He pointed out that, in his view, international trade and foreign exchange dealings will continue to be subject to a measure of control after the war and that other countries will agree to take cotton goods from the United Kingdom only if prices and quality were attractive. The cotton industry must forget its squabbles and present a united front if it is to achieve prosperity after the war. Mr. Streat outlined a six-point plan of campaign: Cotton goods must be given "a front seat" by the Government in international trade agreements; their prices must be controlled to prevent both flagrant profit-making when demand is great and selling at a loss when the market is weak; mercantile practice must be adjusted to a system of managed prices; technical progress must be encouraged and applied to the full; the basis on which wages are regulated must be brought up to date so as not to hinder technical progress; lastly, the best use must be made of modern methods of propaganda, sales promotion and market research. There is much to be said for thinking ahead in order to prevent a repetition of the mistakes made by the cotton trade after the last war. If it faced post-war conditions without a plan the industry might well drift into disaster. But on the question of price control, in particular, much hard thinking still remains to be done in the light of the results shown by the experiments made during the war.

* * *

Retail Trade in December

While the average daily value of retail sales of food and perishable articles in December, as given in this week's *Board of Trade Journal*, was 0.8 per cent. higher than in the corresponding month of 1939, the turnover of other merchandise showed a decline of 6.7 per cent. The percentage changes, from the corresponding months in 1939, in the average daily value of sales from August to December last year are as follows:—

	Percentage Change from 1939.	
1940	Food and Perishables	Other Merchandise
August	+5·4	+21·0
September	−11·5	+6·7
October	−5·2	+20·9
November	−0·3	+1·3
December	+0·8	−6·7

In view of the heavy purchases made before the purchase tax became fully operative, a decline in sales of non-food goods in December was not unexpected. But as the purchase tax had been in operation long enough by December to raise the prices of an appreciable proportion of the goods sold in that month, the fall in the volume of sales must have been considerably greater than the decline in their value. Another factor contributing to the fall in non-food sales was the more drastic limitation, from December 1st, of the supplies of goods covered by the Limitation of Supplies (Miscellaneous) Order.

* * *

Purchases of Surplus Commodities

In order to provide Continental countries with ample food and raw materials after the war and to relieve the distress of primary producing countries during the conflict, steps are being taken to accumulate substantial reserve stocks of such products. The latest development has been the appointment, by the Free Dutch Government, of a special commissioner to acquire a four to six months' supply of food and raw materials to be shipped to Holland after its liberation from the Nazi yoke. Moreover, in order to assist the Belgian Congo and the Free French colonies, now cut off from their principal markets, the British Government has

decided to purchase large quantities of their exportable surplus of primary products. By an agreement with the Belgian Congo, the British Government undertook to buy 126,000 tons of copper a year, as well as large quantities of the colony's output of palm kernels and palm oil and the whole of its gold production amounting to nearly 500,000 ounces per annum. A similar agreement with the Cameroons provides for the purchase of that colony's cocoa crop, of its output of palm kernels, palm oil, groundnuts and certain other oilseeds, of part of its coffee and banana crops, and of timber. Britain's purchase of copper from the Congo—whose potential output is 200,000 tons per annum—and America's purchase of Chilean copper should go a long way towards alleviating the difficulties on the world's copper market. So far as palm kernels are concerned, the Congo exported almost 100,000 tons of these each year before the war and was thus the largest non-British exporting country. Another 40,000 to 50,000 tons per annum were normally exported by the Cameroons. The combined total of nearly 150,000 tons represents about one-fifth of pre-war world exports. The Congo also exported nearly 70,000 tons, and the Cameroons about 10,000 tons, of palm oil per annum before the war, out of total world exports of slightly less than 500,000 tons. The surplus of vegetable oils and oilseeds is at present particularly large. In cocoa, the markets for which have also dwindled, the Cameroons used to export about 30,000 tons and the Congo about 10,000 tons per annum. Altogether the agreements with the Belgian Congo and the French Cameroons should materially assist these colonies in marketing their surplus of primary products.

COMMODITY AND INDUSTRY NEWS

Cotton.—Prices in the market during the past week have shown very little change. A considerable inquiry has been experienced in yarn and cloth, but more difficulties than ever have been met with in arranging terms of fresh contracts. The shortage of raw cotton and labour is now affecting production. A substantial demand has been experienced in yarns, especially coarse counts, but numerous spinners have refused to sell. There have been rumours of an increase in margins, but no official announcement has yet been made. In piece goods a few more sales have been put through for India. Java continues to buy dyed goods, and negotiations have been started for further big deals in cambrics. An encouraging mixed business has been done for South America and the Dominions. Further Government contracts have been placed. Owing to uncertainty as to future production some manufacturers have declined to quote.

RAW COTTON delivered to Spinners

Variety ('000 bales)	Week ended Jan. 24, 1941	Week ended Jan. 31, 1941	From Aug. 1 to Feb. 2, 1940	From Aug. 1 to Jan. 31, 1941
American	18·7	14·7	694	518
Brazilian	6·9	5·3	168	182
Peruvian, etc.	2·0	2·4	117	69
Egyptian	3·3	3·5	187	108
Sudan Sakel	3·8	2·1	90	29
East Indian	10·7	8·9	176	157
Other Countries	12·9	10·7	81	185
Total	58·3	47·6	1,513	1,248

Source: *Liverpool Cotton Association's Weekly Circular.*

Grains.—The wheat market was very slack last week, with some slight recovery over the week-end. There has been a certain amount of business in home-grown barley.

WORLD SHIPMENTS OF MAIZE AND MAIZE MEAL

From ('000 quarters)	Week ended Jan. 18, 1941	Week ended Jan. 25, 1941	From Apr. 1 to Jan. 27, 1940	From Apr. 1 to Jan. 25, 1941
Argentina	169	137	13,481	6,705
Atlantic America	...	...	2,254	2,815
Danube Region	...	...	1,319	678
S. & E. Africa	...*	...*	2,881	1,228†
Indo-China, etc.	...	...	1,470	91
Total	169	137	21,405	11,517

* Not received. † Incomplete since December 14, 1940. Source: *The Corn Trade News.*

WORLD SHIPMENTS OF WHEAT AND FLOUR

From ('000 quarters)	Week ended Jan. 18, 1941	Week ended Jan. 25, 1941	From Aug. 1 to Jan. 27, 1940	From Aug. 1 to Jan. 25, 1941
N. America	416	386	11,733	9,553
Argentina, Uruguay	33	166	11,333	4,829
Australia	...*	...*	612†	...*
Russia	...	...	114	429
Danube and district	...	...	3,914	182
Other countries	...	...	345	...
Total	449	552	28,051	14,993

* Unobtainable. † Incomplete. Source: *The Corn Trade News.*

Metals.—It is reported that allocations of steel for tinplate manufacture are to be reduced. Stocks of tin in the United Kingdom were 4,187 tons at the end of January, compared with 5,209 tons in December; United States stocks were 32,484 tons, including stocks afloat, against 31,646 tons.

★

Oils and Oilseeds.—The supply position of vegetable oils is satisfactory. The official maximum prices of controlled oils and fats operating in January are to continue throughout February. The United Kingdom extraction mills and oil refineries are well employed, in many cases to the limit of capacity, and generous allocations of edible oils are made to margarine and cooking compound manufacturers; and also to meet the current requirements of the soap and paint trades and other technical users.

"THE ECONOMIST" SENSITIVE PRICE INDEX

(1935=100)

	Jan. 27, 1941	Jan. 28, 1941	Jan. 29, 1941	Jan. 30, 1941	Jan. 31, 1941
Crops	105·6	105·7	105·7	105·6	105 6
Raw Materials	166 8	166 8	167·0	167·2	167 0
Complete Index	**132 7**	**132 8**	**132 8**	**132 9**	**132 8**
	Mar. 31, 1937*	Aug. 31, 1939	Jan. 31, 1940	Dec. 31, 1940	Jan. 24, 1941
Crops	147·9	92·2	111·7	105·6	105 5
Raw Materials	207·3	122·9	168 2	166 5	167 2
Complete Index	**175·1**	**106·4**	**135 0**	**132 6**	**132 8**

* Highest level reached during the 1932–37 recovery.

AVERAGE DAILY VALUE OF RETAIL SALES AND OF STOCKS IN GREAT BRITAIN COMPARED WITH A YEAR AGO

	Average Daily Sales 1940 Oct.	Nov.	Dec.	Stocks (at cost) end Dec.
(a) By Commodities.	%	%	%	%
Non-Food Merchandise :—				
Piece-goods	+36·3	+ 9·4	− 2·8	+14·4
Women's wear	+26·6	+ 7·1	− 3·1	− 0·8
Men's and boys' wear	+27·1	−10·9	−14·4	+ 5·7
Boots and shoes	+40·0	+20·8	+11·8	+ 9·6
Furnishing departments	+15·1	−10·9	−20·6	+14·5
Hardware	+ 1·3	−13·1	−28·9	+ 5·6
Fancy departments	+17·2	+ 4·6	−15·2	− 8·8
Sports and travel	+52·9	+17·3	−19·7	− 9·1
Miscellaneous	− 4·1	Nil	+ 2·3	+24·7
Total — Non-Food Merchandise	**+20·9**	**+ 1·3**	**− 6·7**	**+ 5·8**
Food & Perishables	**− 5·2**	**− 0·3**	**+ 0·3**	**−25·3**
Total — All Departments	**+ 6·8**	**+ 0·3**	**− 2·7**	**+ 3·1**
(b) By Districts.				
Scotland	+23·9	+10·7	+10·1	+ 5·6
North-East	+15·7	+ 9·6	+ 4·8	+20·1
North-West	+17·2	+13·8	+ 5·2	+17·2
Midland & S. Wales	+15·4	+ 7·3	+ 2·8	+12·5
South England	+ 4·9	+ 4·5	− 2·1	+17·1
Central & West End London	− 8·6	−16·4	−23·5	− 5·6
Suburban London	− 7·7	−17·0	−17·1	+23·9

Source: **Board of Trade Journal.**

UNEMPLOYMENT IN GREAT BRITAIN

Date of Return	Registered unemployed aged 14 and over (incl. agriculture) Total Number	Index, adjusted for seasonal variations	Of whom wholly unemployed	*Percentage of insured persons (aged 16-64) unemployed (incl. agriculture)*
	'000	1935=100	'000	%
1939				
Dec. 11	1,362	68·4	1,171	*8·7*
1940				
Jan. 15	1,519	68·8	1,220	*9·9*
Feb. 12	1,504	69·4	1,141	*10·0*
Mar. 11	1,121	54·7	966	*7·4*
Apr. 15	973	48·1	840	*6·3*
May 20	881	44·3	731	*5·8*
June 17	767	39·4	648	*4·5*
July 15	827*	41·0	637	*5·2*
Aug. 12	799	39·7	613	*5·0*
Sept. 16	830	41·2	614	...
Oct. 14	835	41·4	635	...
Nov. 11	791	38·8	603	...
Dec. 9	705	35·3	542	...
1941				
Jan. 13	696	31·5	521	

Publication of estimates of number of insured persons aged 16–64 in employment in Great Britain suspended in September, 1939: number employed on August 14, 1939, was 12,100,000.

* From July, 1940, excludes unemployed persons attending training centres; their inclusion raises the total in July to 835,000.

Source: Ministry of Labour.

AMERICAN WHOLESALE PRICES

	Jan. 28, 1941 Cents	Feb. 4, 1941 Cents
GRAINS (per bushel)—		
Wheat, Chicago, May	84	81⅛
,, Winnipeg, May	77¼	77¼
Maize, Chicago, May	62⅛	61⅞
Oats, Chicago, May	36⅛	35⅛
Rye, Chicago, May	44⅛	44⅛
Barley, Winnipeg, Dec.	45⅛	45⅛
METALS (per lb.)—		
Copper, Connecticut	12·00	12·00
Tin, N.Y., Straits, spot	50·20	50·35
Lead, N.Y., spot	5·50	5·50
METALS (per lb.)—*cont.*		
Spelter, East St. Louis, spot	7·25	7·25
MISCELLANEOUS (per lb.)—		
Cocoa, N.Y., Accra, Mar.	5·00	5·03
Coffee, N.Y., cash—		
Rio, No. 7	5¼	5¼
Santos, No. 4	8·00	8¼
Cotton, N.Y., Am. mid., spot	10·88	10·87
Cotton, Am. mid., Feb.	10·34	10·27
Cotton Oil, N.Y., Mar.	6·50	6·38
Lard, Chicago, Mar.	6·45	6·37½
MISCELLANEOUS (per lb.)—*cont.*		
Petroleum, Mid.-cont. crude, per barrel	102	102
Rubber, N.Y., smkd. sheet spot.	19⅛	19⅛
,, ,, Mar.	19⅛	19⅛
Sugar, N.Y., Cuban Cent., 96 deg., spot	2·97	2·95
Sugar, N.Y., 96 deg., No. 4, f.o.b., Cuba, Mar.	0·74½	0·69
Moody's Index of staple commodities, Dec. 31, 1931=100	173·5	172·5

COMPANY MEETINGS

DISTRICT BANK LIMITED

LARGE INCREASE IN DEPOSITS

EFFECTS OF GOVERNMENT'S WARTIME POLICY

THE EXPORT TRADE DRIVE

IMPORTANCE OF COMPETITIVE PRICES

SIR R. NOTON BARCLAY'S SURVEY

The one hundred and eleventh annual meeting of shareholders of District Bank, Ltd., was held, on the 31st ultimo, at the Head Office, Spring Gardens, Manchester.

Mr R. Noton Barclay, the chairman, presided. His speech was as follows:—

As war-time conditions make it difficult for many shareholders to attend our annual meeting, and since the Government discourages large gatherings, I have thought it advisable to circulate advance copies of this year's address.

Before I discuss the accounts and trading results for the past twelve months I have, with deep regret, to announce the recent death of our esteemed colleague Mr George Lockhart McKelvie. Our associations with him extend over many years, since he was the survivor of the three Bank of Whitehaven directors who joined our board when, in 1916, we took over that bank.

Then I should like to refer to the honour which has this year been conferred upon our director Sir Kenneth Lee. I know that you will join me in expressing pleasure at this further recognition of his valuable public services, in which, of course, he is still actively engaged as a member of the British Mission recently sent by the Government to South America. In his absence on this important work we wish him every success.

You will be sorry to learn that Mr Leslie Shaw, one of the bank's auditors, has suffered bereavement and also physical injuries by enemy action. Under the circumstances he has not been able to co-operate with Messrs Halliday, Pearson and Company in auditing the accounts, and, therefore, the auditors' certificate is not signed by him. I am sure you will desire me to express our sympathy with him and also to wish him a speedy recovery.

DEPOSITS EXCEED £100,000,000

The effects of Government war-time policy are reflected in our balance-sheet, and the most noticeable feature is the sharp increase this year in deposits of over £14 millions, which for the first time in the bank's history exceed £100 millions. While part of the present year's increase is, to a certain extent, fortuitous, I may point out that, prior to the war, the deposits of the bank were showing considerable annual increases. The present figures may be compared with the deposits of £73 millions following the amalgamation with the County Bank in 1935.

In the expansion of our resources this year our experience has been similar to that of the other clearing banks. Part of the increased deposits has resulted from delays in the postal services, which increase the average time taken in the clearing of cheques. This augments deposits, since larger balances result from the fact that cheques issued to distant payees are not debited within the normal period.

Other reasons for increased deposits are abnormal ready balances which business concerns keep as reserves available for payment of heavier taxation, including Excess Profits Tax, National Defence Contribution and Purchase Tax. Government restrictions of supplies orders also mean large idle resources being turned over to the banks by merchants and manufacturers. For most of the remainder of the increase in deposits we must look to the Government's war expenditure, which increasingly finds its way into the banking system.

ASSISTANCE TO THE GOVERNMENT

Our assets reflect the employment of the additional deposits to which I have referred. Our large cash holdings, together with other short assets, represent a ratio of 42 per cent. of our deposit liabilities. The comparable figure for last year was 35 per cent., and such a notable increase in these first lines of defence is to be explained by Treasury deposit receipts, which at £12 millions make their first appearance and represent six monthly loans to the Government maturing at successive dates.

These loans, together with Treasury Bills, constitute the short-term assistance which we provide for the Government towards financing the war. To this must be added longer-term advances in the form of British Government securities, to our holdings of which we added over three millions during the period under review. Our investments are mainly repayable at fixed dates and appear in the balance-sheet at much less than their market value.

FACTORS CONTRIBUTING TO THE DECLINE IN LENDINGS

Our lendings have declined from the figure of a year ago. It should be observed that the Ministry of Supply, through the allocation of raw materials, is able to regulate production. The effect is that a big expansion of business has been brought to certain industries engaged on war contracts, and finance has been readily provided by us to expedite such important work. On the other hand, non-essential industries have been unable to obtain supplies; consequently their trade has been seriously curtailed, with the result that they require less banking accommodation. The completion of long-term constructional war contracts has accounted for some repayment of advances, whilst the speeding up of Government payments has also liquidated many outstanding bank loans.

Furthermore, the Government itself now finances many bulk purchases and stocks of raw materials which previously were handled by merchants and traders with the backing of their bankers. The activity of the building trade has diminished and the accommodation granted in the past is being repaid. Such factors have all contributed to the decline in our lendings, and to these must be added repayments of private advances and of normal borrowings which have no place in our war effort.

BANK PROPERTY

Bank property now stands at £1,532,704 a decline of £60,500 as compared with last year. Our expenditure on opening new branches has, of course, ceased for the time being, and, while certain additions and alterations to existing branches have been necessary, the account reflects the appropriation made to write down the value of this item. I may mention here that a certain amount of damage by enemy action has occurred at some of our branches, and where it has been necessary temporarily to vacate the premises we have been housed by other banks, to whom I would take this opportunity of expressing our appreciation and thanks for their assistance. We have in some cases been able to reciprocate this kindness.

PROFIT AND LOSS ACCOUNT

To those who may think that an expansion of resources necessarily means proportionately increased prosperity for the banks, it is as well to point out that we have to pay interest on these additional deposits. Over 10 per cent. of this new money is held in cash whichearnsnothing, and between 20 and 30 per cent. in short assets, earning only 1 per cent. per annum, or, in the case of Treasury deposits, 1½ per cent. per annum. Then the war has in many ways heavily increased our expenses,

amongst other items of which I may mention increased emoluments to the staff, the allowances paid to those members of the staff serving with H.M. Forces to which I referred last year, the heavy demands upon us in relation to air-raid precautions, and enhanced costs of stationery and mechanical equipment, transmission of cash, etc.

Taking these items in conjunction with the considerable increase in taxation, we must expect some reduction in net profits. As usual, our profit is arrived at after full provision has been made for bad and doubtful debts, including provision for possible loss on amounts owing by debtors in enemy-occupied countries. Notwithstanding the large foreign business conducted by the bank and the rapidity with which such countries were overrun by the enemy, I am pleased that the management have been able to confine these latter risks to a figure which will probably entail little or no ultimate loss. We have, however, considered it prudent to make provision against them.

At £446,018 the net profit is £44,072 less than the previous year.

TRADE CONDITIONS

It is difficult nowadays to give a survey of trade as a whole as so many industries are engaged primarily on war work. Owing to the exigencies of the present situation many businesses regarded as being of a non-essential character are having their activities very substantially curtailed, and we can only sympathise with them in the position in which they find themselves.

The effects of the last war on the Lancashire cotton industry are well known. Prior to 1914 this country was the largest world exporter of cotton goods and exports far exceeded home consumption. Subsequent to that war our exports seriously declined and we had to rely to a very large extent on our home trade. It is, of course, impossible to forecast the effects of the present war. There is a large demand for a variety of types of cotton goods for the Services, but that demand is not sufficient to keep the whole of the industry in anything approaching full employment.

ORGANISATIONS TO FOSTER EXPORT TRADE

The Government is anxious that exports should be increased to provide the necessary exchange to assist in paying for essential imports. With this in view, organisations have been set up to develop the export trade by regulating both the manufacture and the sale of cotton goods, with the dual object of freeing mills for export business and reducing expenditure by people in this country on such goods.

In order to achieve this the production of goods for home consumption has been restricted, and it will be appreciated that this raises many problems.

If exports are to be increased it can only be on a competitive basis, that is, by selling the manufactured articles at a price equal to or lower than that of competitors, but unless the demand for these goods is such that it will replace the forcibly reduced demand from the home consumer, the cost of production is raised.

Moreover, with further wage increases (now approximating 30 per cent. more than pre-war rates in the spinning and weaving sections of the industry) production costs again will be advanced. Some of these higher costs may be offset by the organisation of the Cotton Board, whose primary function is to direct exports through syndicates or through the recently formed subsidiary to the Board, British Overseas Cottons, Ltd.

CENTRAL RAYON OFFICE LIMITED

In endeavouring to organise the cotton trade to meet war conditions, we must not lose sight of the post-war prospects of the industry. Our future problems are going to be difficult, more difficult than they were after the last war.

What applies to the cotton trade is also applicable to certain other of our export industries, and in this connection I might mention rayon, which is used either in place of or along with cotton to a considerable extent. I am pleased to say that this industry also is taking steps which it is hoped will result in holding and capturing markets. The Rayon Export Group has formed a company, Central Rayon Office, Ltd., whose objects are the organising and arranging for the production of rayon goods suitable for the export trade, with provision for financial assistance from the industry as a whole. We wish them every success in their efforts.

LOYAL SERVICES OF THE STAFF

During the past year war conditions have imposed increasingly heavy calls upon our staff. Our grateful thanks are due to those members of the staff in our principal offices who have acted as voluntary fire-watchers and have been, in turn, on duty every night since the outbreak of war. They do not take shelter, but patrol the different floors of their respective buildings during an alarm. Incendiary bombs have fallen on several of our offices, and it is due to the energetic and unceasing vigilance of our watchers that in such premises we have escaped an outbreak of fire. Also, as more and more of our younger men have been called to the Colours, many of those who remain have had to undertake more work and greater responsibilities, owing not only to reduction of staff but also to the additional supervision needed with a less experienced staff.

Again, the temporary evacuation of some offices arising from enemy action has involved additional strain on many of our executive officers. Through it all be it remembered that the majority of the staff are, in common with others, giving their erstwhile leisure hours to Home Guard, A.R.P. and other activities in furtherance of the war effort.

It is, therefore, with more than usual earnestness that I avail myself of this opportunity to place on record our warm appreciation of the loyal and devoted services rendered to the bank in these exceptionally difficult times by our chief officials and by the whole of the staff.

The report and accounts were adopted and the retiring directors were re-elected.

Messrs Halliday, Pearson and Company and Mr Leslie Shaw, the retiring auditors, were reappointed.

After the usual vote of thanks the proceedings terminated.

THE NATIONAL BANK LIMITED

IMPORTANCE OF HOME PRODUCTION

The annual general meeting of the National Bank Limited was held, on the 30th ultimo, in London.

Sir George F. Murphy, Bart. (deputy chairman), who presided, said: On reference to the profit and loss account it will be seen that we propose to pay a dividend at the rate of 10 per cent per annum, less income tax, and that we transferred £10,000 to contingencies account, carrying forward £42,800.

In spite of the difficult and anxious times through which we are passing, the bank's position remains sound and liquid.

The continuance of armed conflict of the most destructive nature has, of course, severely restricted the field of profitable investment, and this, together with the importance of maintaining a high degree of liquidity, has caused a falling off in our gross income, while, on the other hand, heavy taxation and increased cost of all items essential to the conduct of our business have added considerably to our working expenses.

In the abnormal times through which we are living no one can expect to remain unaffected while the industries and resources of mankind are being diverted from their peace-time activities. The Government finds it necessary to impose restrictions and require sacrifices which would never be undertaken except in face of the gravest emergency. The growing tax burden can be lessened only by an increase in individual savings and the importance of restricting oonsumption cannot be too strongly emphasised. With the limitation of shipping space the home production of those imports no longer available becomes a matter of urgent neeessity. Here the farming industry is of paramount importance, and it is to be hoped that when happier times return the efforts of this industry will be rewarded by a more general recognition of the fundamental position of agriculture in the economy of the nation. Each section of the community has its special task for the good of all, and the banking profession has willingly co-operated with the authorities in various measures essential to the maintenance of trade and industry.

The report and accounts were unanimously adopted.

HAWKER SIDDELEY AIRCRAFT COMPANY LIMITED

STATEMENT BY THE CHAIRMAN

The following is the statement of Mr. Thomas O. M. Sopwith, C.B.E., F.R.Ae.S. (chairman of the company), to be presented at the annual general meeting of the company, to be held on February 12, 1941.

This, our fifth annual general meeting, takes place after a year which has been one of the most eventful in the history of the nation. That we are enabled to meet to-day is largely due to the heroic work of the fighter squadrons of the Royal Air Force during the period known as the "Battle of Britain," and you will, I am sure, share my pride in the fact that the Hawker "Hurricane" was not only the backbone, but formed the majority of the aircraft flown by that gallant band to whom the Prime Minister referred in the House of Commons when he informed members that "never before had so many owed so much to so few."

THE LOAN POSITION

The accounts show the comparative figures at the corresponding date last year. At that time we had a very substantial balance at the bank, represented by the unused proceeds of our debenture issue. This balance has now been fully absorbed by additional loans to our operating companies to enable them partially to finance work in progress for the Government. The loans now amount to £3,386,250 (as against £2,186,250 last year). In view of the fact that at the termination of the present abnormal conditions the operating companies will be in a position to repay the loans they have received, no further provision for the redemption of the debenture stock is necessary.

We have again provided for the redemption of the necessary number of 5 per cent. redeemable cumulative preference shares in accordance with the terms of their issue.

The profit and loss account shows receipts from dividends and interest at £817,717 after providing for taxation.

Provision has been made by all the operating companies for reserves and contingencies on such a scale as their directors consider advisable.

Your board recommend approval of a final dividend of 17½ per cent., less tax, which, with the 15 per cent., less tax, interim dividend already paid, brings the year's total up to 32½ per cent., less tax, and allows a carry-forward of £320,447, an increase of £99,435 over the previous year. This dividend is the same as that distributed last year.

Taxation makes a very heavy call upon profits, and while I do not dispute either the need for, or the equity of, the burden, I hope the Chancellor of the Exchequer in his wisdom will not lightly disregard the need to permit industry to make adequate provision for resources to be applied to meeting post-war conditions.

WORK OF OPERATING COMPANIES

You will understand that I can only refer in broad and general terms to a subject which is of vital importance to us all individually and nationally—the work of the operating companies. Their achievements are in advance of anything anticipated a few years ago, and in face of many difficulties they have succeeded in maintaining a very high standard of output.

You have read of the many stirring exploits of the "Hurricane" pilots—British and Allied—at home and abroad, and of the dashing work of the Australian pilots with the "Gladiator" in Northern Africa and Albania. You have heard of the many important long distance bombing raids carried out by the "Whitley"—of the less spectacular but no less effective job of the "Anson" on coastal reconnaissance work, and of the "Cheetah" engine—one of the most reliable power units in the world. All these are products of this organisation.

You have seen references to new types which indicate that design and research are showing results such as I am confident will bring even greater help to the nation. In other branches of supplies to the Forces I can report equally satisfactory progress.

I cannot say anything of the immediate future. I am confident that the interests of the shareholders are best served by the continuous and whole-hearted contribution to the national effort, and that outlook dictates our policy.

DALGETY AND COMPANY, LIMITED

RECORD WOOL PRODUCTION

THE HON. EDMUND PARKER'S ADDRESS

The adjourned fifty-sixth annual general meeting of Dalgety and Company, Ltd., was held, on the 30th ultimo, at 65 Leadenhall Street, London.

The Hon. Edmund W. Parker (the chairman of the company), who presided, in the course of his speech, said: Both the Commonwealth and the Dominion may be said to have enjoyed a period of prosperity during the year under review, which naturally has been reflected in the results of your company. This prosperity may be largely attributed to the purchase of the entire Australian and New Zealand wool clips by the British Government for the duration of the war and one year afterwards, at prices approximately 30 per cent. above those ruling in the previous season. Growers were thus assured of a market at a reasonable level of values at a time when the disposal of their wool might have proved difficult and, in certain events, impossible.

WOOL AND WHEAT

A record volume of wool was dealt with, due to greatly increased production in the Commonwealth and to the fact that wools normally shipped overseas for sale were in the main appraised in the countries of origin. It is not expected that last season's high level of production will be maintained in Australia, as seasonal conditions are less favourable, but the official estimate of the 1940-41 clip is 3,500,000 bales, including 153,000 bales of skin wool.

In New Zealand, owing to exceptionally favourable seasonal conditions, the clip is expected to show a substantial increase over 1939-40. I feel, however, that I should sound this note of warning. Owing to various reasons, including the temporary loss of the continental market, consumption probably lags behind production, and thus some piling up of stocks appears likely. This will accentuate marketing problems after the war.

As regards wheat, I fear once again it is not possible for me to give as comprehensive a survey as was my custom in more peaceful times. As you know, the entire buying programme for the United Kingdom is in the hands of the Government, and, if I may say so, has, in my opinion, been most competently handled.

MEAT, TALLOW AND BUTTER

Frozen meat, copra, tallow and butter are all now controlled by the Government; frozen meat and butter being sold direct by the Australian and New Zealand Governments. Your company, therefore, does not take any part in the importations to the United Kingdom, since these commodities are requisitioned by the authorities immediately on arrival.

Copra is a product which in times of peace is used to a very large extent on the Continent, but this trade has now ceased. A useful outlet has, however, been found in America, and this has in part compensated for the loss of the European trade, and further developments of it are hoped for. The Ministry of Food are purchasers of tallow, and I am glad to say that we continue to maintain our share of this trade.

In East Africa we continue to make satisfactory progress.

The burden of taxation is extremely disconcerting, although inevitable in these times. It is not only in the Commonwealth that we have to bear this, but also in the Dominion and, as you know, very heavily in the Old Country.

THE DIVIDEND

I feel sure that you will all be satisfied with the further interim dividend of 4s. per share, making 7 per cent. for the year, which was paid on December 20th last. It is a good distribution in these times, and an improvement on recent years, but I cannot make any forecast as to the future. The season in Australia up till recently has been causing us great anxiety, but I am glad to say that we have news of a certain amount of relief which may put a different aspect on the situation.

The report and accounts were unanimously adopted.

CURRENT STATISTICS

Finance

GOVERNMENT RETURNS

For the week ended February 1, 1941, total ordinary revenue was £63,772,000, against ordinary expenditure of £83,446,000 and issues to sinking funds of £145,000. Thus, including sinking fund allocations, the deficit accrued since April 1st is £2,091,215,000, against £639,006,000 (including defence loan issues) for the corresponding period a year ago.

ORDINARY AND SELF-BALANCING REVENUE AND EXPENDITURE

Revenue	Receipts into the Exchequer (£ thousands) Estimate, 1940–41	Apr. 1, 1939, to Feb. 3, 1940	Apr. 1, 1940 to Feb. 1, 1941	Week ended Feb. 3, 1940	Week ended Feb. 1, 1941
ORDINARY REVENUE					
Income Tax	510,500	245,871	333,695	34,763	34,082
Sur-tax	83,000	43,440	48,078	5,050	3,830
Estate, etc., Duties	86,100	63,840	64,640	1,580	1,491
Stamps	19,000	14,280	11,318	...	...
N.D.C.	70000	22200	19,402	450	550
E.P.T.		...	52,342	...	1,759
Other Inland Revenue	1,000	890	539	90	11
Total In. Rev.	769,600	390,521	530,014	41,933	41,723
Customs	309,350	220,341	253,704	3,496	5,849
Excise	213,550	114,920	170,555	955	13,464
Total Customs and Excise	522,900	335,261	424,259	4,451	19,313
Motor Duties	35,000	31,498	36,360	...	2,820
P.O. (Net Receipt)	13,291	6,404	7,950	1,100	*Dr.700*
Crown Lands	1,150	1,130	980	160	...
Receipts from Sundry Loans	5,000	4,785	1,090	...	79
Misc. Receipts	13,250	14,552	24,022	116	537
Total Ordinary Revenue	1360191	784,151	1024675	47,760	63,772
SELF-BAL. Post Office & Broadcasting	86,222	67,546	74,100	1,500	2,850
Total ...	1446413	851,697	1098775	49,260	66,622

Expenditure	Issues out of the Exchequer to meet payments (£ thousands) Estimate, 1940–41	Apr. 1, 1939, to Feb. 3, 1940	Apr. 1, 1940, to Feb. 1, 1941	Week ended Feb. 3, 1940	Week ended Feb. 1, 1941
ORDINARY EXPENDITURE					
Int. and Man. of Nat. Debt	230,000	213,079	217,615	7,071	8,175
Payments to N. Ireland	9,400	6,671	6,844	238	...
Other Cons. Fund Serv.	7,600	6,686	7,018	64	249
Total ...	247,000	226,436	231,477	8,273	8,424
Supply Serv.	3219790	1188698	2875948	45,360	75,022
Total Ordinary Expenditure	3466790	1415134	3107425	53,633	83,446
SELF-BAL. Post Office & Broadcasting	86,222	67,546	74,100	1,500	2,850
Total ...	3553012	1482680	3181525	55,133	86,296

The 1939 figures include expenditure out of defence loans.

After increasing Exchequer balances by £443,990 to £3,226,592, the other operations for the week (no longer shown separately) raised the gross National Debt by £21,279,088 to about £11,032 millions.

OTHER ISSUES

(£ thousands)

P.O. and Telegraph	250
Overseas Trade Guarantees	56
	306

OTHER RECEIPTS

(£ thousands)

Tithe Act	200

AGGREGATE ISSUES AND RECEIPTS

The aggregate issues and receipts from April 1, 1940, to February 1, 1941, are :—

(£ thousands)

Ordinary Exp.	3,107,425	Ord. Revenue	1,024,675
Misc. Iss. (net)	7,032	Gross. borr.	2,099,079
Inc. in balances	832	*Less*—	
		Sinking fds.	8,465
		Net borrowing	2,090,614
	3,115,289		3,115,289

FLOATING DEBT

(£ millions)

Date	Treasury Bills: Tender	Treasury Bills: Tap	Ways and Means Advances: Public Depts.	Ways and Means Advances: Bank of England	Treasury Deposits by Banks	Total Floating Debt
1940						
Feb. 3	811·0	642·4	48·2	...	...	1501·6
Oct. 26	840·0	1145·9	69·0	7·7	199·5	2262·2
Nov. 2	845·0		Not available			
,, 9	845·0		,,	,,		
,, 16	845·0		,,	,,		
,, 23	845·0		,,	,,		
,, 30	845·0	1238·6	87·5	...	269·5	2440·5
Dec. 7	845·0		Not available			
,, 14	845·0		,,	,,		
,, 21	845·0		,,	,,		
,, 31	215	1·8	86·0	50·5	338·0	2626·3
1941						
Jan. 11	845·0		Not available			
,, 18	845·0					
,, 25	845·0	1340·7	96·1	...	366·0	2647·7
Feb. 1	845·0		Not available			

TREASURY BILLS

(£ millions)

Date of Tender	Amount Offered for	Amount Applied	Amount Allotted	Average Rate Allotted	Per Cent. Allotted at Min. Rate
1940				s. d.	
Feb. 2	55·0	108·0	50·0	20 9·86	36
Oct. 25	65·0	135·3	65·0	20 4·41	30
Nov. 1	65·0	147·3	65·0	20 4·11	25
,, 8	65·0	139·6	65·0	20 4·36	31
,, 15	65·0	140·8	65·0	20 4·56	32
,, 22	65·0	131·8	65·0	20 5·15	41
,, 29	65·0	152·2	65·0	20 5·23	20
Dec. 6	65·0	140·7	65·0	20 1·99	54
,, 13	65·0	144·0	65·0	20 1·25	33
,, 20	65·0	130·8	65·0	20 2·15	38
,, 27	65·0	143·8	65·0	20 1·52	31
1941					
Jan. 3	65·0	133·3	65·0	20 2·03	38
,, 10	65·0	134·7	65·0	20 2·01	36
,, 17	65·0	146·0	65·0	20 1·28	27
,, 24	65·0	139·4	65·0	20 4·04	28
,, 31	65·0	150·7	65·0	20 2·84	100

On January 31st applications at £99 15s. 1d. per cent. and above for bills to be paid for on any day of following week were accepted in full. £65·0 millions of Treasury bills are being offered on February 7th. For the week ending February 8th the banks will not be asked for Treasury deposits.

NATIONAL SAVINGS CERTIFICATES AND 3% AND 2½% BONDS SUBSCRIPTIONS

(£ thousands)

Week ended	N.S.C.	3% Def. Bonds	2½% Bonds	New 2½%	3% Sav. Bonds
Dec. 31	1,986	3,119	11,834	...	...
Jan. 7	3,322	3,309	2,999	8,940	6,854
,, 14	2,756	3,373	95	11,830	10,674
,, 21	3,210	2,852	162	9,477	6,125
,, 28	2,929	2,872	48	6,630	4,677
Feb. 4	...	...	46	15,950	5,470
Totals to date	216,360*	215,132*	444,208†	52,826	33,800

* 62 weeks. † 33 weeks.

Interest free loans received by the Treasury up to February 4th amounted to 11,768, of a total value of £26,830,716. Up to January 25th, principal of Savings Certificates to the amount of £28,472,000 had been repaid.

BANK OF ENGLAND RETURNS

FEBRUARY 5, 1941

ISSUE DEPARTMENT

	£		£
Notes Issued:		Govt. Debt	11,015,100
In Circln.	601,052,535	Other Govt. Securities	615,759,406
In Bnkg. Department	29,189,040	Other Secs.	3,217,323
		Silver Coin	8,171
		Amt. of Fid. Issue	630,000,000
		Gold Coin & Bullion (at 168s. per oz. fine)	241,575
	630,241,575		630,241,575

BANKING DEPARTMENT

	£		£
Props.' Capital	14,553,000	Govt. Secs.	141,202,838
Rest	3,438,772	Other Secs.:	
Public Deps.*	13,836,263	*Discs., etc.*	*3,333,295*
		Securities	*19,515,319*
Other Deps.:			*22,848,614*
Bankers	*110,800,895*		
Other Accts.	*51,665,121*	Notes	29,189,040
	162,466,016	Gold & Silver Coin	1,053,559
	194,294,051		194,294,051

* Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts.

THE WEEK'S CHANGES

(£ thousands)

Both Departments	Amt. Feb. 5, 1941	Compared with Last Week	Compared with Last Year
COMBINED LIABILITIES			
Note circulation	601,053	+ 1,850	+ 69,948
Deposits: Public	13,836	− 18,538	− 14,790
Bankers	110,801	+ 2,917	+ 2,151
Others	51,665	− 1,340	+ 7,914
Total outside liabilities	777,355	− 15,111	+ 65,223
Capital and rest	17,992	+ 17	− 75
COMBINED ASSETS			
Govt. debt & securities†	767,977	− 8,230	+ 71,117
Discounts and advances	3,333	− 485	+ 841
Other securities	22,733	− 6,459	− 6,600
Silver coin in issue dept.	8	+ 2	− 502
Coin and gold bullion	1,295	+ 78	+ 292
RESERVES			
Res. of notes and coin in banking department	30,243	− 1,771	− 19,655
"Proportion" (reserve to outside liabilities in Bnkg. dept.)	17·1%	+ 0·6%	− 10·4%

COMPARATIVE ANALYSIS

(£ millions)

	1940 Feb. 7	1941 Jan. 22	1941 Jan. 29	1941 Feb. 5
Issue Dept.:				
Notes in circulation	531·1	598·4	599·2	601·1
Notes in banking department	49·1	31·8	31·0	29·2
Government debt and securities†	575·0	626·4	626·3	626·3
Other securities	4·5	3·6	3·7	3·2
Silver coin	0·5	0·0	0·0	0·0
Gold, *valued at s. per fine oz.*	0·2	0·2	0·2	0·2
	168·00	*168·00*	*168·00*	*168·00*
Deposits:				
Public	28·6	35·3	32·4	13·8
Bankers'	108·7	95·1	107·9	110·8
Others	43·8	52·5	53·0	51·7
Total	181·1	182·9	193·3	176·3
Banking Depart. Secs.:				
Government	121·8	143·0	149·9	141·2
Discounts, etc.	2·5	3·8	3·8	3·3
Other	24·9	21·4	25·5	19·5
Total	149·2	168·2	179·2	164·0
Banking depart. res.	49·9	32·7	32·0	30·2
	%	%	%	%
"Proportion"	27·5	17·8	16·5	17·1

* Government debt is £11,015,100; capital £14,553,000. † Fiduciary issue raised from £580 millions to £630 millions on June 11, 1940.

OVERSEAS BANK RETURNS

NOTE—The latest returns of the Bank of Finland appeared in "The Economist" of Dec. 9th, 1939; Norway, of Apr. 13th, 1940; Denmark and Germany, of Apr. 27th; Netherlands, of May 11th; Belgium, of May 18th; France, of June 8th; Switzerland, of June 15th; Java, of June 22nd; Greece, of June 29th; Latvia, of October 5th; Estonia, of October 26th; Mellie Iran of Nov. 23rd; Lithuania of Nov. 30th; International Settlements, of Dec. 14th; Argentina, of Dec. 21st; Egypt, of Dec. 28th; Bulgaria of January 11; South Africa, Turkey and Jugoslavia of January 25: Australia, Canada, Sweden, U.S. Reporting Member Banks of Feb. 1st.

PRAGUE NATIONAL BANK
Million Crowns

Assets	Oct. 7, 1940	Oct. 15, 1940	Oct. 23, 1940	Oct. 31, 1940
Gold	1,395	1,395	1,395	1,430
Foreign exchange	775	765	776	751
Other cash	1,858	1,921	1,974	1,631
Bills and securities	368	134	89	294
Advances	283	282	282	263
Other assets	5,670	5,617	5,805	6,099
Liabilities				
Note circulation	5,728	5,716	5,860	6,265
Cash certificates	945	960	961	956
Clearing deposits	1,310	1,381	1,390	1,126
Other liabilities	1,825	1,515	1,563	1,579

NATIONAL BANK OF ROUMANIA
Million lei

Assets	Sept. 7, 1940	Sept. 13, 1940	Sept. 21, 1940	Sept. 28, 1940
Gold and gold exchange	31,870	31,870	31,878	31,930
Foreign exchange	1,971	1,980	2,075	2,190
Commercial bills	19,164	18,759	19,502	19,487
Treasury bills issued agst. losses on credits	4,405	4,405	4,405	4,405
Advances on secs.	5,840	5,993	5,800	5,783
State debt	3,566	3,566	3,566	3,566
Secs. and participatns.	2,560	2,570	2,582	2,584
Liabilities				
Notes in circulation	61,497	61,765	61,541	62,342
Other sight liabilities	12,256	11,905	13,724	13,093
Long-term liabilities	2,827	2,927	2,962	3,022

U.S. FEDERAL RESERVE BANKS
Million $'s

12 U.S.F.R. Banks	Jan. 31, 1940	Jan. 9, 1941	Jan. 16, 1941	Jan. 30, 1941
Resources				
Gold Certifs. on hand and due from Treas.	15,552	19,805	19,846	19,897
Total reserves	15,975	29,138	20,216	20,279
Total cash reserves	413	324	361	373
Total U.S. Govt. secs.	2,477	2,184	2,184	2,184
Total bills and secs.	2,495	2,195	2,195	2,195
Total resources	19,223	23,196	23,432	23,317
Liabilities				
F.R. notes in circn.	4,832	5,877	5,825	5,846
Excess mr. bank res.	5,560	6,840	6,900	6,800
Mr. bank res. dep.	12,150	14,284	14,414	14,347
Govt. deposits	549	220	237	258
Total deposits	13,422	16,244	16,392	16,405
Total liabilities	19,223	23,196	23,432	23,317
Reserve ratio	87·5%	91·0%	91·0%	91·1%
Banks and Treasury:				
Resources				
Monetary gold stock	17,931	22,034	22,066	22,110
Treas. and bk. currency	2,971	3,088	3,092	3,097
Liabilities				
Money in circulation	7,376	8,628	8,542	8,548
Treas. cash and dep.	2,907	2,423	2,432	2,458

BANK OF PORTUGAL
Million escudos

Assets	Oct. 9, 1940	Oct. 16, 1940	Oct. 23, 1940	Oct. 30, 1940
Gold	923·7	1196·2	1196·4	1221·6
Balances abroad	754·7	748·3	783·9	788·2
Discounts	439·4	434·0	428·6	430·5
Securities	278·4	278·4	278·4	278·4
Liabilities				
Notes in circulation	2718·6	2711·4	2707·5	2790·4
Deposits: Government	273·6	282·2	263·4	289·3
Bankers'	598·4	699·6	747·4	687·6
Other	159·9	158·7	160·3	151·3
Foreign commitments	257·6	255·0	255·0	255·0

NATIONAL BANK OF HUNGARY
Million pengös

Assets	Oct. 7, 1939	Sept. 7, 1940	Sept. 23, 1940	Oct. 7, 1940
Metal reserve:				
Gold coin and bullion	124·1	124·1	124·1	124·1
Foreign exchange	92·8	48·9	42·6	41·5
Inl. bills, wts., & secs.	644·8	821·2	776·3	780·1
Advances to Treasury	342·8	337·7	463·6	503·1
Liabilities				
Notes in circulation	1031·8	1171·2	1240·6	1320·6
Sight liabilities	217·0	205·4	209·0	178·5
Cash certificates	93·5	86·8	86·8	86·8

RESERVE BANK OF NEW ZEALAND
Million £N.Z.'s

Assets	Dec. 18, 1939	Dec. 2, 1940	Dec. 9, 1940	Dec. 16, 1940
Gold and stg. exch.	11·07	11·49	11·55	12·10
Advances to State	21·63	26·64	26·84	26·86
Investments	3·31	3·77	3·77	3·77
Liabilities				
Bank Notes	18·98	20·74	21·41	22·33
Demand liabs.: State	2·82	5·81	6·56	6·69
Banks and others	12·46	13·99	12·77	12·31
Reserves to sight liabs.	32·4%	28·3%	28·3%	29·2%

BANK OF JAPAN.
Million yen

Assets	Dec. 16, 1939	Nov. 30, 1940	Dec. 7, 1940	Dec. 14, 1940
Coin & Bullion: Gold	501·3	501·3	501·3	501·3
Other	36·2	21·1	21·1	18·2
Foreign exch. fund	300·0	300·0	300·0	300·0
Discounts and advances	601·3	698·9	469·7	425·3
Government bonds	2402·3	3228·5	3311·6	3748·9
Agencies' accounts	222·2	336·6	311·4	330·1
Liabilities				
Notes issued	2933·1	3874·4	3793·1	3810·1
Deposits: Government	761·0	843·1	736·9	1094·9
Other	95·7	146·6	128·2	99·6

RESERVE BANK OF INDIA
Million rupees

Assets	Jan. 26, 1940	Jan. 10, 1941	Jan. 17, 1941	Jan. 24, 1941
Gold coin and bullion	444	444	444	444
Rupee coin	609	296	300	308
Balances abroad	172	547	576	584
Sterling securities	1,075	1,355	1,355	1,355
Indian Gov. rupee secs.	383	496	496	496
Investments	76	75	72	72
Liabilities				
Notes in circln.: India	2,251	2,320	2,303	2,289
Burma	128	140	145	148
Deposits: Govts.	152	165	194	230
Banks	192	452	418	446
Reserve ratio	60·5%	69·5%	69·3%	69·1%

EXCHANGE RATES

Rates Fixed by Bank of England

Official exchange rates fixed by the Bank of England remained unchanged between January 30th and February 5th. (Figures in brackets are par of exchange.)

U.S. $ (4·86⅛) 4·02½–03½. Can. $ (4·86⅛) 4·43–47; mail transfers, 4·43–47⅛. Sw. frs. (25·22½) 17·30–40. Sw. kr. (18·159) 16·85–95. Arg. pesos (11·45) 16·95½–17·13; mail transfers, 16·95½–17·15. Ned. E. Ind. Fl. (12·11) 7·58–62; mail transfers, 7·58–64. Ned. W. Ind. (Fl.) 7·58–62; mail transfers, 7·58–64. Bel. Congo Fr. 176¼–½. Portuguese Esc. (110) 99·80–100·20. Panama, $4·02–04 mail transfers, 4·02–04½. Philippine (peso), 8·09–12; mail transfers, 8·09–13.

Forward Rates

Forward rates for one month have remained unchanged as follows: America, ⅛ cent pm.-par. Canada, ¼ cent pm.-par. Switzerland, 3 cents pm.-par. Sweden, ⅛ ore pm.-par. Batavia, 1¼ cents pm.-par.

MARKET RATES

London on	Par of Exchange per £	Jan. 30, 1941	Jan. 31, 1941	Feb. 1, 1941	Feb. 3, 1941	Feb. 4, 1941	Feb. 5, 1941
Budapest, Pen.	27·82	(d)	(d)	(d)	(d)	(d)	(d)
Belgrade, Din.	276·32	155*	155*	155*	155*	155*	155*
		200*(g)	200*(g)	200*(g)	200*(g)	200*(g)	200*(g)
Sofia, Lev	673·66	315*	315*	315*	315*	315*	315*
Helsingfors, Mk	193·23	180–210	180–210	180–210	180–210	180–210	180–210
Alexandria, Pst	97⅛	97⅛–⅜	97⅛–⅜	97⅛–⅜	97⅛–⅜	97⅛–⅜	97⅛–⅜
Madrid, Pt.	25·22½	40·50(b)	40·50(b)	40·50(b)	40·50(b)	40·50(b)	40·50(b)
		46·55(c)	46·55(c)	46·55(c)	46·55(c)	46·55(c)	46·55(c)
Istanbul, £T	110	(d)	(d)	(d)	(d)	(d)	(d)
		520(b)	520(b)	520(b)	520(b)	520(b)	520(b)
Athens, Dr.	375	515*	515*	515*	515*	515*	515*
Bucharest, Lei	813·8	(d)	(d)	(d)	(d)	(d)	(d)
India, Rup.	†18d.	17 31/32–18⅛	17 31/32–18⅛	17 31/32–18⅛	17 31/32–18⅛	17 31/32–18⅛	17 31/32–18⅛
Kobe, Yen	†24·58d.	13 13/16–14⅛	13 13/16–14⅛	13 13/16–14⅛	13 13/16–14⅛	13 13/16–14⅛	13 13/16–14⅛
Hongkong, $	† ..	14 13/16–15⅛	14 13/16–15⅛	14 13/16–15⅛	14 13/16–15⅛	14 13/16–15⅛	14 13/16–15⅛
Rio, Mil.	†5·899d.	(d)	(d)	(d)	(d)	(d)	(d)
Valparaiso, Pes.	40	(d)	(d)	(d)	(d)	(d)	(d)
Lima, Sol. (e)	17·38	(d)	(d)	(d)	(d)	(d)	(d)
Montevideo, $	†51d.	(d)	(d)	(d)	(d)	(d)	(d)
Singapore, $	†28d.	28 3/32–⅛	28 3/32–⅛	28 3/32–⅛	28 3/32–⅛	28 3/32–⅛	28 3/32–⅛
Shanghai, $	† ..	3 1/32–⅛	3 1/32–⅛	3 1/32–⅛	3 1/32–⅛	3 1/32–⅛	3 1/32–⅛
Bogota, Pes.	..	6‖	6‖	6‖	6‖	6‖	6‖

* Sellers. ‖ Nominal. † Pence per unit of local currency.
(b) Official rate for payment at the Bank of England for Clearing Offices.
(c) Voluntary rate for payment at the Bank of England. (d) Special account.
(e) 90 days. (g) Trade payments rate.

PROVINCIAL BANK CLEARINGS (£ thousands)

	Week ended		Aggregate January 1 to			Week ended		Aggregate January 1 to	
	Feb. 3, 1940	Feb. 1, 1941	Feb. 3, 1940	Feb. 1, 1941		Feb. 3, 1940	Feb. 1, 1941	Feb. 3, 1940	Feb. 1, 1941
Working days:—	6	6	29	29	Newcastle	1,700	1,657	7,989	7,191
Birm'ham	2,472	2,133	13,153	11,879	Nottingham	598	669	2,544	2,550
Bradford	1,506	2,608	7,188	10,369	Sheffield	1,248	466	4,563	2,544
Bristol	1,902	2,020	8,501	8,352	10 Towns	30,079	30,553	141922	132620
Hull	1,176	835	4,768	3,626					
Leicester	737	855	4,169	4,357	Dublin*	5,368	5,755	20,107	27,420
Liverpool	6,640	6,796	30,331	25,828	So'th'pton†	...	99	...	464
Manch'ter	12,100	12,514	58,716	55,924					

* January 27, 1940, and January 25, 1941.
† Clearing begun May 14, 1940.

MONEY RATES, LONDON

The following rates remained unchanged between Jan. 30th and Feb. 5th:—
Bank rate, 2% (changed from 3% October 26th, 1939). Discount rates: Bank Bills, 60 days, 1 1/16%; 3 months, 1 1/16%; 4 months, 1 1/16–1 1/8%; 6 months, 1 1/8%. Treasury bills: 2 months, 1–1 1/16%; 3 months, 1 1/16%. Day-to-day money, ½–1 1/16%. Short loans, 1–1 1/16%. Bank deposit rates, ½%. Discount deposits at call, ½%; at notice, ¾%.

GOLD AND SILVER

The Bank of England's official buying price for gold remained at 168s. 0d. per fine ounce throughout the week.
In the London silver market prices per standard ounce have been as follows:—

Date	Cash	Two Months	Date	Cash	Two Months
	d.	d.		d.	d.
Jan. 30	23½	23½	Feb. 3	23 15/16	23 15/16
„ 31	23½	23½	„ 4	23 15/16	23 15/16
			„ 5	23 15/16	23 15/16

NEW YORK EXCHANGE RATES

New York on	Jan. 29, 1941	Jan. 30, 1941	Jan. 31, 1941	Feb. 1, 1941	Feb. 3, 1941	Feb. 4, 1941
London:—	Cents	Cents	Cents	Cents	Cents	Cents
Cables	403½	403½	403½	403½	403½	403½
Switzerland, Fr.	23·26	23·25	23·50(b)	23·40(c)	23·23(d)	23·25(d)
Italy, Lire	5·05(c)	5·05(c)	5·05(c)	5·05(c)	5·05(c)	5·06(c)
Berlin, Mark	40·05	40·05	40·05	40·05	40·05	40·05
Stockholm, Kr.	23·85	23·55	23·55	23·86	23·86	23·86
Montreal, Can. $	82·680	82·810	82·810	82·750	82·750	82·875
Japan, Yen	23·45–48(b)	23·45–48(b)	23·45–48(b)	23·45–48(b)	23·45–48(b)	23·45–48(b)
Shanghai, $	5·57	5·55	5·55	5·52	5·45	5·41
B. Aires, Pso. (mkt. rate)	23·70‡	23·70‡	23·70‡	23·70‡	23·73‡	23·73‡
Brazil, Milreis	5·05	5·05	5·05	5·05	5·05	5·05

‡ Official buying rate 29·78. (b) Offered. (c) Nominal. (d) Free rate.

THE WEEK'S COMPANY RESULTS

Company	Year Ending	Total Profit	Depreciation	Net Profit	Available for Distribution	Appropriation: Pref. Div.	Ord. Div.	Ord. %	Free Reserves	+ or − in c/f	Preceding Year: Total Profit	Net Profit	Ord. %
Financial, Land, etc.		£	£	£	£	£	£	%	£	£	£	£	%
Aberdeen (City of) Property Trust	Dec. 31	21,300	...	7,561	8,923	1,575	4,876	16	1,000	+ 110	21,301	8,839	16
North Q'nsland Mtge. &c.	Sept. 30	20,407	...	8,852	11,794	7,358	...	...	1,500	− 6	20,923	8,986	Nil
Wemyss Collieries Trust	Nov. 11	34,957	...	33,457	66,964	19,310	6,727	9	5,000	+ 2,420	38,371	36,871	9
Motor Cycle & Aviation													
Hawker Siddeley Aircraft	July 31	818,196	...	500,392	721,404	118,027	282,930	32½	...	+ 99,435	811,835	574,190	32½
Rubber													
Braunston (Malay)	Sept. 30	14,913	362	6,482	8,506	...	6,337	7½	...	+ 145	5,736	2,315	3
Namoe Tongan	Aug. 31	38,950	5,000	13,983	30,669	...	13,500	4	...	+ 483	18,480	13,412	4
Rubber Estates (Malaya)	Sept. 30	55,525	2,665	21,083	22,400	...	13,800	6	6,000	+ 1,283	19,907	11,390	2
Serom	Sept. 30	16,279	1,160	3,202	3,857	1,123	2,073	5	...	+ 6	6,509	2,304	Nil
Shops and Stores													
Stead & Simpson	Dec. 31	63,622	...	5,122	114,187	12,000	20,000	10	...	− 26,878	56,664	34,519	10
Textiles													
Bennett (James) & Co. (Warrington)	Dec. 19	62,438	1,965	14,440	15,078	...	9,440	10	5,000	...	47,291	15,394	8½
Eng. Velvet & Cord Dyers'	Dec. 31	57,399	17,261	36,550	41,862	21,321(a)	6,255	2½	...	+ 8,974	40,014	13,952	Nil
Marshall (Thos.), Marlbeck	Dec. 31	72,179	...	18,849	33,634	3,450	14,375	25	...	+ 1,024	64,931	31,417	25
Trusts													
Charter Trust & Agency	Nov. 30	35,168	...	12,522	19,400	14,583	...	...	...	− 2,061	32,210	13,264	Nil
General Consolidated Invt.	Dec. 31	88,392	...	31,854	54,091	11,159	16,100	7	...	+ 4,325	94,971	39,686	7
Governments Stock Invst.	Dec. 31	98,289	...	45,050	45,050	24,281	20,566	3½	203	...	92,243	41,228	3½
New York & General	Jan. 3	44,743	...	10,006	18,928	10,800	...	...	...	− 794	46,923	11,923	Nil
Omnium Investment	Dec. 31	115,134	...	53,598	60,702	31,611	22,128	3½	...	− 141	114,076	52,350	3½
Scottish Stockholders Inv.	Nov. 30	47,976	...	21,395	31,455	19,800	...	...	...	+ 1,595	47,171	19,881	Nil
Sec. Scottish Utd. Invstrs.	Dec. 15	63,562	...	18,589	33,256	13,500	2,700	1½	...	+ 2,389	62,046	18,660	1½
Waterworks													
Chester Waterworks	Dec. 31	61,965	...	12,517	23,162	5,842	6,635	6	...	+ 40	57,499	12,499	6
Cleveland Water	Dec. 31*	9,487	...	4,967	12,539	...	3,400	10 & 7	...	+ 1,567	9,209	3,443	10 & 7
Whitby Waterworks	Dec. 31	9,938	...	2,905	4,292	943	933	10 & 7	...	+ 1,029	10,387	2,652	10 & 7
York Waterworks	Dec. 31	79,557	10,863	11,608	21,346	4,397	10,788	7	...	− 3,577	68,607	11,784	7
Other Companies													
Bell & Nicholson	Dec. 31	41,032	3,756	35,877	60,921	1,610	24,150	14	...	+ 10,117	48,578	42,125	14
Dixor, Ltd.	Dec. 31	48,576	314	12,228	18,959	5,972	4,500	30	...	+ 1,756	56,943	21,041	50
Dublin (South) City Market	Dec. 31*	10,306	...	3,889	9,563	...	3,037	4½	750	+ 102	10,242	3,995	4½
Rheostatic Co.	Sept. 30	27,304	5,713	8,017	11,946	1,725	4,025	10	2,000	+ 267	36,795	14,015	16
White (John) Impreg. Boots	Dec. 31	52,814	...	34,442	42,039	7,007	21,875	17½	...	+ 5,560	50,490	28,448	15
Totals (£'000's):	*No. of Cos.*												
Week to Feb. 8, 1941	*28*	*2,120*	*49*	*989*	*1,547*	*337*	*521*	...	*22*	+ *109*	*1,989*	*1,091*	...
Jan. 1 to Feb. 8, 1941	*104*	*19,244*	*747*	*12,067*	*17,493*	*2,209*	*8,857*	...	*642*	+ *359*	*17,959*	*12,595*	...

* For half-year. (a) For 3½ years to end of 1940.

DIVIDEND ANNOUNCEMENTS

Rates are actual unless stated per annum or in cash. Previous year's rate is total dividend, unless marked* indicating interim dividend

Company	*Int. or †Final	Total	Payable	Prev. Year
TEA AND RUBBER	%		%	%
Dekhari Tea	5*	...	...	5*
Deundi Tea	5*	...	Feb.22	5*
Djasinga Rubber	...	5	Feb.19	3
Doom Dooma Tea	5*	...	...	5*
Garing (Malacca) Rbr.	...	7½	Feb.22	3
Pindenioya Rubber, etc.	...	5	...	4
Rajawella Produce	...	4	...	2
MINING				
Ashanti Goldfields	35†	80	...	95
Berjuntai Tin	20*	25 (a)	Feb.12	10
Bibiani (1927)	17½†	25	...	25
Burma Corporation	(b)3*	...	Mar.29	(b)3½ *
Cons. Mines Selection	...	10	...	10
Emperor Mines	6d.*	...	Feb.28	6d.*
Loloma (Fiji) Gold	20*	...	Mar. 8	20*
Malayan Tin Dredg.	10†	55	Mar.11	10
Pengkalen (Pref. Ord.)	10*	...	Feb.15	10*
Sth Malayan Tin	5†	37½	Mar.10	7½
Tekka, Ltd.	2½*	5 (a)	Feb. 8	6½
INDUSTRIALS				
Baird (William) & Co.	4*	...	Feb.20	4*
Barracks Fabrics	8½†	13½	...	13½
Barrow, Hepburn & Gale	...	6	Mar. 6	6
Benn Brothers	4*	...	...	4*
Bluestone & Elvin	...	10	...	7½
Cardiff Gas	3	6	...	5½
Collier (S.) & Co.	2½*	...	Feb.10	2½*
Davies & Metcalfe	7†	10	...	10
Domestic Investment Trust	‡0.95d	...	Feb. 8	‡1.18d
English Velvet, etc.	...	2½	...	Nil
Fife Coal	‡5 †	‡8	...	‡9
Friary Holroyd Breweries	5*	...	...	5*
Genatosan, Ltd.	10*	...	...	10*
General Engineering (Radcliffe)	...	15	...	10
General Motors	75 cts.	...	...	75 cts.
Golding (John)	5†	9	...	10
Grand Canal, Dublin	1†	1½	...	1½
Hawker Siddeley A'cft.	17½†	32½	...	32½
Head Wrightson	2½*	...	...	2½*
Hecht Levis & Kahn	5*	...	Feb.15	5*
Holden (Isaac)	5*	...	...	5*
Houghton Main Colliery	3*	...	...	3*
Hughes-Johnson Stampings	10*	...	...	10*
Hunter Barr & Co.	...	6	Feb.15	6
Improved Indus. Dwllgs.	‡2½*	...	...	‡2½*
International Nickel	50c	...	Mar.31	50c
Jackson Bros. (Knottingley)	15†	22½	...	20
Lake and Elliot	...	5	Jan 31	Nil
Lennards Real Property	1½†	3½	...	3½
Lloyd & Yorath	...	4	...	4
Lon. Coml. Sale Rooms	2†	4	...	6
Metropolitan Trust	6†	11	...	12
Milton Proprietary	...	10	...	20
New Hucknall Colliery	5†	7½	...	7½
Owen and Robinson	‡3*	...	...	‡3½
Power Securities	...	6	...	7
Price & Pierce	10†	15	...	15
S. Staffordshire Gas	...	2½	...	2
S. Staffordshire Water	4†	7	...	7
Shop Investments	3*	...	...	4*
Spencer Melksham		4·8dps	Mar. 5	3d. ps.
Stead & Simpson	...	10	...	10
Tennant Brothers	2½*	...	...	2½*
Transvaal Mattress	4	...	Mar.17	4½
Weyburn Engineering	27½†	35	...	35
Whitworth & Mitchell	2½*	...	Feb.21	2½*

(a) To date, 1940. ‡ Free of Income Tax. (b) Annas per share free of Income Taxes.

OVERSEAS WEEKLY TRAFFIC RECEIPTS

Name	Weeks	Ending	Gross Receipts for Week: 1941	+ or −	Aggregate Gross Receipts: 1941	+ or −
B.A. and Pacific	30	Jan. 25	‡1,740,000	+ 130,000	36,873,000	− 945,000
B.A. Gt. Southern	30	25	‡2,441,000	− 747,000	60,054,000	− 5,349,000
B.A. Western	30	25	‡735,000	− 246,000	20,680,000	− 2,098,000
Canadian Pacific	4	31	†$4,964,000	+ 347,000	14,685,000	+ 2,440,000
Central Argentine	30	25	‡1,660,250	+ 57,250	42,502,400	−11,747,700

‡ Receipts in Argentine pesos. † 10 days.

UNIT TRUST PRICES

as supplied by managers and Unit Trusts Association
(Table excludes certain open and closed trusts)

Name	Feb. 4, 1941	Name	Feb. 4, 1941	Name	Feb. 4, 1941
Se'nd Brt.	19/0—20/0	Nation'l D.	9/9—10/9	Key. Gold	8/0—9/6xd
Lim'd Inv.	12/6—13/6	Century	11/1½—12/10½	Br. Ind. 4th	10/7½—12/1½xd
NewBritish	7/10½—8/10½	Scottish	10/0—11/6	Elec. Inds.	12/6—14/0xd
Invest Tr.	8/9—10/0*	Univ. 2nd	11/9—13/6	Met. & Min.	10/6—12/0
Bk.-Insur.	14/3—15/9*	Inv. Flex	9/0—10/3	Cum. Inv.	13/6—15 0
Insurance	14/0—15/6*	Inv. Gen.	12/7½—13/7½	Producers	5/9—6/9
Bank	15/0—16/6*	Key. Flex.	9/1½—10/7½	Dom. 2nd	5/0—5/9
Sct. B.I.T.	10/3—11/6xd*	Key. Cons.	8/4½—9/10½	Orthodox	7/6

* Free of commission and stamp duty.

LONDON ACTIVE SECURITY PRICES AND YIELDS

Allowance is made for net interest accrued, and for redemption for fixed interest stocks and for changes in interim dividends for ordinary stocks.

Prices, Year 1940 High	Prices, Year 1940 Low	Prices, Year 1941 Jan. 1 to Feb. 4 High	Prices, Year 1941 Jan. 1 to Feb. 4 Low	Name of Security	Price, Feb. 4, 1941	Ch'ge since Jan. 28, '41	Yield Feb. 4, 1941 £ s. d.
				British Funds			
77	68½	77½	76½	Consols 2½%	77½	...	3 4 7
111½	103½	110½	110½	Do. 4% (aft. 1957)	110½	...	3 12 5f
98½	98½	99½	98½	Conv. 2½% 1943–45	98⅛	...	2 3 1
100½	95½	100½	99½	Do. 2½% 1944–49	100	...	2 11 5
103	97½	103½	101½	Do. 3% 1948–53	102xd	...	2 13 8
103½	94	104½	103½	Do. 3½% after 1961	104½	...	3 7 5f
112	107½	108½	107⅝	Do. 5% 1944–64	108½	...	2 8 7
92½	86½	92⅝	92⅛	Fund. 2½% 1956–61	92½	...	3 0 9
98½	92	98⅛	97⅜	Fund. 2½% 1952–57	98½	...	2 17 8
99½	95	99½	99½	Fund. 3% 1959–69	99½	...	3 1 1
114	105½	114½	113½	Fund. 4% 1960–90	113½	...	3 1 5
102	98⅛	101⅛	101	Nat. D. 2½% 1944–48	101½	...	2 7 0k
102	95½	101½	100⅛	Do. 3% 1954–58	101½	...	2 17 10
100⅛	100	100½	100	War Bds. 2½% 1945–47	100½	...	2 8 8
...	...	100½	100½	Do. 2½% 1946–48	100½	...	2 7 11
...	...	100½	100	Sav. Bds. 3% 1955–65	100⅛	...	2 19 1
112⅛	105⅜	112½	110⅛	Victory Bonds 4%	111	...	3 4 3j
101	98	101½	100⅜	War L. 3% 1955–59	101	...	2 19 2
103½	93½	103⅜	103	War L. 3½% af. 1952	103½	...	3 7 11f
83½	80½	90½	89½	Local Loans 3%	90	...	3 6 11
94½	85½	95	94	Redemption 3% 1986–96	94½	...	3 4 2
101	97½	100	100	Austria 3% 1933–53	100	...	3 0 3
71½	59½	71½	70	India 2½%	71	...	3 10 6
97½	82½	97½	96	Do 3½%	96½	...	3 12 8
115	105½	112½	111⅛	Do. 4½% 1958–68	112	...	3 11 11
				Dom. & Col. Govts.			
107½	101	105	104½	Austria 5% 1945–75	105	...	3 16 7
112	105½	112	110	Canada 4% 1953–58	110xd	+1	3 1 0
110½	106	108½	107½	Nigeria 5% 1950–60	108	...	3 18 9
105½	100	105†	104	N. Zealand 5% 1946	105	...	3 18 9
108½	103	107⅜	107	S. Africa 5% 1945–75	107	...	3 4 0
				Corporation Stocks			
116½	104	107⅜	107	Bir'ham 5% 1946–56	107	...	3 13 0
85	78	86	84½	L.C.C. 3%	85xd	+½	3 10 7
94½	87½	94	93	Liverpool 3% 1954–64	94	...	3 8 2
104	97	103½	102	Middx 3½% 1957–62	103	...	3 6 6
				Foreign Governments			
92½	71	84	81	Argen 4½% Stg. Bds.	82	...	5 9 0
35½	20	37	31	Brazil 5% Fd. 1914	35	−1	7 2 10p
23	9	14	13	Chile 6% (1929)	13½	−½	10 17 0n
45½	12	35	32½	China 5% (1913)	32½	−1	...
80½	50½	82	79½	Egypt Unified 4%	79½	...	5 0 0
25	12½	20	17½	Greek 6% Stab. Ln.	19	...	...
65	19½	36½	27	Japan 5½% 1930	29½	...	18 12 0
69	50½	60½	58	Portuguese 3%	60	...	5 0 0
57½	37½	45	41½	Spanish 4%	45	...	8 16 10

Prices, Year 1941 Jan. 1 to Feb. 4 High	Prices, Year 1941 Jan. 1 to Feb. 4 Low	Last two Dividends (a)	(b)	(c)	Name of Security	Price, Feb. 4, 1941	Ch'ge since Jan. 28, '41	Yield Feb 4, 1941 £ s. d.
		%		%	**Railways**			
5½	4½	Nil		Nil	B.A. Gt. Sthn. Ord.	5	...	Nil
8½	7½	Nil		Nil	Can. Pac. Com $25	8	...	Nil
37½	32½	3½	c	1½ a	Gt. Western Ord.	36	+1	9 14 6
90½	84½	2½	b	2½ a	Do 5% Cons. Prf.	89	+1	5 12 4
58½	50	5	c	2½ a	LN.E.R. 5% Pref. 1955	57½	...	8 13 9
39	33	4	c	2 a	Do. 4% 1st Pf.	37½	+1	10 13 4
15½	13	Nil	c	1½ c	L.M.S. Ord.	15	+1	10 0 0
41	36	4	c	2 a	4% Pf 1923	39½	+2	10 2 6
55	50½	2	b	2 a	4% Pf	53½	+1	7 9 7
35½	31½	1½	c	¾ a	Lon. Trans. "C"	34	...	4 8 0
12½	10	Nil	e	1½ c	Southern Def.	11½	+½	10 12 9
53	44½	5	c	2½ a	Do 5% Pf. Ord.	50½	...	9 18 0
88½	53	2½	a	2½ b	Do 5% Pf.	87	...	5 14 0
					Banks and Discount			
63/9	53/4½	7½	a	10 b	Alexanders £2 £1 pd.	63/9	...	5 9 9
342	333	6	a	6 b	Bank of England Stk.	338½	−1	3 11 0
7⅜	6⅛	4½	b	3½ a	Bk of Australasia £5	7½	+½	5 12 6
£48½	£46½	8	e	8 c	Bk of Montreal $100	£47½xd	...	3 18 6e
27/–	25/–	5	b	5 a	Bk of N. Zealand £1	26/3	+1/3	6 2 6e
68/3	64/10½	7	a	7 b	Barclays Bank £1	66/–	−6d.	4 5 0
9	8½	5	b	5 a	Chtd. of India £5	8½	...	5 19 0
50/–	47/–	5	a	5 b	District B. £1 fy pd.	50/–	...	4 0 0
£83½	£74½	£2½	a	£2½ b	Hongkong and S. $125	£80½	+£1	6 4 3
49/6	45/6	6	a	6 b	Lloyds £5, £1 pd	46/–	−1/–	5 4 0
7⅛	7	7½	a	7½ b	Martins £20, £2½ pd.	7½	...	5 0 6
82/–	78/–	8	a	8 b	Midland £1, fy. pd.	80/–	...	4 0 0
5⅛	5⅛	5	a	5 b	Nat. Dis. £2½ fy pd.	5½	...	4 13 0
32½	31½	8	b	8 a	N. of Ind. £25, £12½ pd.	31½	...	6 7 0
62/–	56/–	7½	a	7½ b	Nat. Prov. £5, £1 pd.	57/–	...	5 5 0
419	397	8½	a	8½ b	Royal Bk. of Scotland	410	+8	4 2 11
44/–	41/3	3½	a	6½ b	Union Discount £1	43/9	...	4 11 10
75/–	70/–	9	a	9 b	Westmtr. £4, £1 pd.	71/–	...	5 1 0
					Insurance			
23	21½	50	b	40 a	Alliance £1, fully pd.	23	...	3 18 0
10½	10	6	– b	4/6 a	Atlas £5, £1¼ pd.	10½	...	5 4 9
68/–	65/6	2	– b	1/6 a	Gen. Accdt. £1, 5/– pd.	67/6	...	5 3 9
24½	23⅛	10	– b	10/– a	Lon. & Lancs £5, £2 pd.	23½	...	4 5 0
13½	13⅛	†25	b	†22½ a	Pearl (£1), fy. pd.	13½	...	3 11 0†
12½	12	6	– a	6 b	Phœnix £1, fy. pd.	12½	...	4 16 0
20½	18½	†84·075c		†12½a	Prudential £1 A	19	−¼	4 8 0†
7⅛	7⅛	19	b	11 a	Royal Exchange £1	7½	−⅛	4 2 9
8	7⅜	3/3	b	3/3 a	Royal £1, 12 6 pd.	7½	...	4 6 0
5½	5⅛	13½	a	13½ b	Sun Life £1, fy. pd.	5½	...	5 0 0
					Investment Trusts			
155	139	4	a	6 b	Debenture Corp. Stk.	153	...	6 10 9
164	160	8	b	5 a	Invest. Trust Def.	160	...	8 2 6
140	135	7	b	3 a	Trustees Corp. Ord.	137½	...	7 4 0
157½	150	6	b	4 a	United States Deb.	157½	+5	6 7 0
					Breweries, &c.			
116/–	114/–	†5	a	†15 b	Bass Ratcliff Ord. £1	115/–	...	3 9 6†
45/6	44/6	13	b	3 a	Charrington £1	45/6	...	7 0 0
47/9	46/–	11	b	5 a	Courage Ord. £1	47/–	−6d.	6 15 6
68/6	64/–	10	b	6½ a	Distillers Ord. £1	64/3	−1/6	5 0 6
71/9	69/–	11	a	14 b	Guinness Ord. £1	70/–	+6d.	7 3 0
73 9	68/–	7½	a	15 b	Ind. Coope & Allp. £1	73/6	+1/–	6 2 0
64/–	62/–	8	a	13 b	Mitchells & Butlers £1	62/6	...	6 14 0
46/6	44/3	6	a	11 b	Watney Combe Def. £1	46/–	...	7 8 0
					Iron, Coal and Steel			
43/1½	40/–	7	b	4 a	Babcock & Wilcox £1	42/6	...	5 3 0
5/3	4/6	10	c	10 c	Baldwins £1	5/3	+3d.	7 12 0
44/6	40/–	11½	b	3½ a	Bolsover Coll. £1	43/9	...	6 16 3
28/4½	25/7½	†10	b	†5 a	Brown (J.) Ord. 10/–	28/1½	+7½d.	5 6 6†
6/11½	6/3	6	b	4 a	Cammell Laird 5/–	6/9	+3d.	7 8 0
20/10½	19/4½	5	b	3 a	Colvilles Ord. £1	20/7½	...	7 15 0
19/9	17/6	10	c	7 c	Dorman Long Ord. £1	19/4½	...	7 4 3

Prices, Year 1941 Jan. 1 to Feb. 4 High	Prices, Year 1941 Jan. 1 to Feb. 4 Low	Last two Dividends (a)	(b)	(c)	Name of Security	Price, Feb. 4, 1941	Ch'ge since Jan. 28, '41	Yield Feb. 4, 1941 £ s. d.
		%		%	**Iron, Coal, &c.—cont.**			
23/1½	21/9	†4	b	†2½ a	Guest Keen &c. Ord. £1	22/6	...	5 11 0
22/6	21/–	15	b	7½ a	Hadfields 10/–	21/3	...	10 13 0
12/7½	11/3	5½	b	1½ a	Powell Duffryn £1	12/6	...	11 4 0
21/9	19/6	12	c	6 c	S. Durham Ord. £1	21/3	+7½d.	5 13 0
46/3	42/6	†2½	a	†5½ b	Staveley Coal, etc. £1	45/–	+1/3	8 11 0
44/–	41/3	12½	e	12½ e	Stewarts & Lloyds £1	42/6	...	5 19 0
30/–	28/–	10½	b	4 a	Swan, Hunter £1	29/6	...	9 16 0
24/3	21/6	2½	a	5½ b	Un. Steel Cos. Ord. £1	22/9	...	7 0 0
16/–	15/–	6	b	4 a	Vickers 10/–	15/3	...	6 10 0
					Textiles			
4/–	3/6	Nil		Nil	Brit. Celanese 10/–	3/9	−1½d.	Nil
33/9	28/9	5	b	3½ a	Coats, J. & P. £1	31/10½	−7½d.	5 9 0
34/7½	31/7½	7	c	2½ a	Courtaulds £1	32/–	−1/–	4 7 0
29/4½	26/10½	5	b	2½ a	English Swg. Ctn. £1	28/9	−1/–	5 4 0
19/3	17/4½	7½	c	7½ c	Lancs. Cotton Corp. £1	18/9	+6d.	8 0 0
53/1½	49/10½	†10	c	†8½ c	Patons & Baldwins £1	53/1½	+7½d.	3 2 0
					Electrical Manufactg.			
41/0	39/3	10	c	10 c	Associated Elec. £1	40/–	–	5 0 0
88/3	82/6	15	b	5 a	British Insulated £1	85/–	−2/6	4 14 0
65/6	62/6	10	b	5 a	Callenders £1	63/9	−1/3	4 14 0
19/3	17/6	7½	a	12½ b	Crompton Park. A 5/–	18/9	...	5 6 0
31/0	28/3	10	c	10 c	English Electric £1	30/–	...	6 13 3
80/9	77/–	20	c	20 c	General Electric £1	79/4½	...	5 0 0
47/6	44/–	7½	b	7½ a	Johnson & Phillips £1	47/6	...	6 6 0
					Gas and Electricity			
35/3½	33/6	5	b	3 a	Clyde Valley Elec. £1	35/–	...	4 11 0
35/–	32/6	10½	c	3 a	County of London £1	32/6	−2/6	6 9 3
25/–	23/6	3½	b	2½ a	Edmundsons £1	24/6	...	4 19 0
14/11½	11/3	1⅞	b	2½ a	Gas Light & C. £1	13/–	...	6 3 3
29/6	28/–	5	b	2½ a	Lancashire Elec. £1	28/9	...	5 4 0
27/6	25/6	4½	b	2½ a	North-East Elec. £1	26/3	...	5 6 0
34/–	32/–	6	b	3 a	Northmet Power £1	33/1½	...	5 8 0
35/6	33/–	5½	b	2½ a	Scottish Power £1	34/4½	...	4 13 0
35/9	33/9	3	a	5 b	Yorkshire Electric £1	35/–	...	4 11 0
					Motor and Aircraft			
15/–	13/9	30	c	15 c	Austin 5/–	15/–	...	5 0 0
17/7½	16/–	6	c	7½ c	B.S.A. Ord. £1	17/6	+6d.	8 11 0
10/6	9/–	6	b	4 a	Bristol Aero. 10/–	10/3	+3d.	9 15 0
28/9	27/6	12½	c	12½ c	De Havilland Air. £1	27/6	...	9 1 0
13/3	12/–	†12½	c	†10 c	Fairey Aviation 10/–	12/0	−6d.	8 6 0
18/0	15/9	5	c	6 c	Ford Motors £1	17/9	...	6 14 0
14/9	12/2½	15	a	17½ b	Hawker Siddeley (5/–)	12/3	−9d.	13 5 0
65/–	61/3	25	c	20 c	Leyland Motors £1	63/9	−1/3	6 5 0
55/–	50/7½	2½	a	12½ b	Lucas, J. (£1)	53/9	...	5 12 0
26/4½	24/6	45	c	40 c	Morris Motors 5/– Ord.	26/3	...	7 12 0
77/6	73/9	5	a	15 b	Rolls-Royce £1	3⅛	...	5 4 0
12/–	11/3	22½	c	25 c	Standard Motor 5/–	12/–	...	10 8 0
					Shipping			
18/6½	17/9	4	c	5 c	Furness, Withy £1	18/–	...	5 11 0
21/6	20/3	2	a	5½ b	P. & O. Def. £1	21/–	...	7 3 0
17/9	17/–	5	c	5 c	Royal Mail Lines £1	17/–	...	5 18 0
9/6	8/3	Nil	c	Nil c	Union Castle Ord. £1	9/6	...	Nil
					Tea and Rubber			
10/3	9/9	6	c	4 c	Allied Sumatra £1	10/3	...	7 16 0
17/4½	16/6	4	b	2 a	Anglo-Dutch £1	17/–	−3d.	7 3 0
30/–	28/9	7½	b	2½ a	Jokai (Assam) £1	30/–	...	6 13 3
3/4½	3/1½	6	b	4 a	London Asiatic 2/–	3/3	...	6 3 3
26/10½	26/–	6	b	3 a	Rubber Trust £1	26/3	...	6 16 6
2/4½	2/3	9	c	5 c	United Serdang 2/–	2/4½	...	4 4 0
					Oil			
42/–	35/–	20	c	5 c	Anglo-Iranian £1	40/–	+1/10½	2 10 0
25/9½	24/6	12½	a	17½ b	Apex (Trinidad) 5/–	25/6	+6d.	5 17 0
61/3	52/6	16	b	5 a	Burmah Oil £1	57/6	...	7 6 0
47/6	38/9	5	c	†2½ a	Shell Transport £1	44/4½	...	2 5 0
61/10½	59/3	7½	a	7½ b	Trinidad Leaseholds £1	61/3	+1/3	4 19 0
					Miscellaneous			
62/6	58/1½	7½	b	5 a	Assoc. P. Cement £1	61/3	+1/3	4 1 0
28/6	27/3	5	b	Nil a	Barker (John) £1	27/6	...	3 12 0
40/–	37/3	m29	c	30.9c	Boots Pure Drug 5/–	37/6	−2/6	4 2 0
43/0	41/–	8½	b	3 a	Brit. Aluminium £1	41/10½	−7½d.	5 10 0
95/–	87/6	†19½	c	†17½ c	Brit.-Amer. Tob. £1	91/3	−2/6	3 18 0
68/6	62/6	7	a	10 b	British Oxygen £1	65/–	−1/3	5 4 6
59½	54½	4	c	4 c	Cable & Wir. Hdg. Stk.	55½	−2	7 4 0
4½	3¾	11½	a	15 b	Carreras 'A' Ord. £1	3¾	...	6 16 0
34/7½	31/6¾	9	c	12 c	Dunlop £1	33/9	−3d.	5 6 0
8/4½	7/6	Nil	c	Nil c	Elec. & Mus. Ind. 10/–	7/9	−6d.	Nil
27/6	25/–	25	b	15 a	Ever Ready Co. 5/–	27/–	−3d.	7 8 0
24/3	23/3	6	b	3 a	Forestal Land £1	23/9	...	7 11 0
4½	4	20	b	7½ a	Gallaher Ltd. Ord. £1	4¾	...	5 18 0
20/6	19 4½	15	a	10 b	Gestetner (D.) 5/–	19/4½	...	6 9 0
4⅛	4¼	5	a	20 b	Harrison & Cros. Df. £1	4½	...	5 14 0
29/3	26/3	5	b	2 a	Harrods £1	27/6	...	5 1 0
30/9	29/3	5	b	3 a	Imp. Chem. Ord. £1	29/9	−3d.	5 7 0
11/6	10/4½	Nil	c	3½ c	Imp. Smelting £1	11/3	...	6 4 6
5⅜	4⅛	†7½	a	†12½ b	Imp. Tobacco £1	4⅛ xd	−1/3	4 4 0
$41	$37	$2.25c		$2.00e	Inter. Nickel n.p.	$37	−$2½	5 8 0
25/3	23/–	5½	b	Nil a	Lever & Unilever £1	23/9	−7½d.	4 2 0
50/6	43/9	10	c	5 a	London Brick £1	48/9	...	5 10 0
75/7½	71/–	15	b	5 a	Lyons (J.) Ord. £1	72/6	...	5 6 0
37/6	35/6	23½	b	15 a	Marks & Spen. 'A' 5/–	36/3	...	4 18 0
3⅜	3⅛	12½	b	5 a	Metal Box £1	3⅜	...	5 1 9
81/3	76/3	7½	a	12½ b	Murex £1 Ord.	78/9	−2/6	4 6 0
21/6	18/6	6	b	2½ a	Pinchin Johnson 10/–	19/9	−3d.	5 18 0
16/	15/–	15	b	3 a	Ranks Ord. 5/–	15/3	...	5 6 10
58/3	55/–	12½	b	2½ a	Spillers Ord. £1	56/3	...	5 14 0
48/3	46/6	3½	a	10 b	Tate and Lyle £1	47/6	...	4 17 0
2⅛	1⅝	5	b	5 a	Tilling, Thos. £1	2⅛	...	2 10 0
20/6	18/1½	20	c	5 c	Triplex Safety G. 10/–	20/–	...	5 4 0
92/3	90/6	10	a	13½ b	Tube Investments £1	91/3	...	4 8 0
71/10½	63/9	3½	a	11½ b	Turner & Newall £1	67/6	−2/6	5 11 0
45/6	44/–	5	a	7½ b	United Dairies £1	45/–	...	5 12 6
24/10½	22/6	22½	c	28½ o	United Molasses 6/8	24/4½	...	5 6 0
25/1½	21/3	6	c	6 c	Wall Paper Def. £1	22/6	...	6 0 0
56/9	53/3	20	a	45 b	Woolworth Ord. 5/–	53/9xd	−3d.	
					Mines			
49/4½	45/–	95	c	80 c	Ashanti Goldfields 4/–	48/9	+1/3	6 10 0
8/–	7/4½	3⅜	a	3⅜ b	Burma Corp. Rs. 9	7/6	−3d.	8 9 0
40/7½	36/3	3½	a	6½ b	Cons. Gldfs. of S. Af. £1	36/3	−1/3	5 10 0
12½	12½	95	a	90 b	Crown Mines 10/–	12½	...	7 10 0
5½	4⅜	Nil	c	Nil c	De Beers (Def.) £2½	5½	+¼	Nil
1½	1⅜	11½	a	11½ b	Randfontein £1	1½	+⅛	12 0 0
8½	7⅜	25	a	15 b	Rhokana Corp. £1	7½	...	5 1 0
15/0	13/7½	10	a	10 b	Roan Antelope Cpr. 5/–	14/6	−6d.	6 18 0
7½	7⅜	75	a	70 b	Sub Nigel 10/–	7½	...	9 12 0
7⅜	6½	5/6b		2·6a	Union Cp. 12 6 fy. pd.	7⅛	+½	5 14 0
3½	3⅛	Nil		Nil	W. Witwatersrand 10/–	3½	...	Nil

(a) Interim dividend. (b) Final dividend (c) Last two yearly dividends. (d) Worked on 9% basis. (e) Allowing for exchange. (f) Flat yield.
(g) Worked on 22½% basis. (i) Annas per share. (j) Yield worked to average redemption—end 1960. (k) Based on redemption at par in 1946.
(m) Including bonus of 5%, free of tax. (n) Yield on 1.537% basis (o) For 15 months to December 31, 1939. Also cash dividend 10 per cent. out of capital reserve. (p) Yield worked on a 2½ per cent. basis. † Free of Income Tax.

BRITISH WHOLESALE PRICES

	Jan. 28, 1941	Feb. 4, 1941
CEREALS AND MEAT		
GRAIN, etc.		
Wheat—	s. d.	s. d.
No. 1, N. Mt. 496 lb. f.o.b. Vc.	27 0	26 10½
Eng. Gaz. av. per cwt. (*e*)	14 7	14 7
Flour, per 280 lb —		
Straights, d/d London	25 6	25 6
Barley, Eng. Gaz., av., per cwt(*e*)	21 6	21 3
Oats (*e*) „ „ „	15 0	15 2
Maize, La Plata, 480 lb., f.o.b.	12 0	12 0
MEAT—Beef, per 8 lb.—		
English long sides	4 8	4 8
	6 0	6 0
Imported hinds	5 4	5 4
Mutton, per 8 lb.—English	4 4	4 4
	8 0	8 0
Imported	4 4	4 4
Pork, English, per 8 lb.	8 0	8 0
BACON (per cwt.)—Wilts, cut side	113 6	113 6
HAMS (per cwt.)—Green	118 6	118 6
OTHER FOODS		
BUTTER (per cwt.)—All Grades	143 0	143 0
CHEESE (per cwt.)—		
Home Produced	99 2	99 2
Imported	99 2	99 2
COCOA (per cwt.)—		
Accra, g.f.	35 0	35 0
Grenada	67 0	67 0
	72 6	72 6
COFFEE (per cwt.)—		
Santos supr. c. & f.	Nom.	Nom.
Costa Rica, medium to good	90 0	90 0
	120 0	120 0
EGGS (per 120)—English	30 0	27 6
LARD (per cwt.)—Imported	64 0	64 0
POTATOES (per cwt.)—		
English, King Edward	7 0	7 0
	9 0	9 0
SUGAR (per cwt.)		
Centrifugals, 96°, prpt. shipm. c.i.f. U.K. Cont.	7 6	7 6
REFINED LONDON—		
Granulated, 2 cwt. bags	40 6	40 6
Granulated 2 cwt. bags, domestic consumption	31 2	31 2
West India Crystallised	38 0	38 0
	41 6	41 6
TOBACCO (per lb.)—		
Indian stemmed and unstemmed	0 5½	0 5½
	1 10	1 10
Rhodesian, stemmed and unstemmed	0 10½	0 10½
	2 0	2 0
TEXTILES		
COTTON (per lb.)—	d.	d.
Raw, Mid-American	8·65	8 58
„ Giza F G F	12 08	12·00
Yarns, 32's Twist	15·84	15 90
„ 40's Weft	17 09	17 15
„ 60's Twist (Egyptian)	26·20	26·20
Cloth, 32 in. Printers, 116 yds. 16 × 16, 32's & 50's	s. d. 24 3	s. d. 24 3
COTTON—*continued.*		
Cloth, 36 in. Shirtings, 75 yds., 19 × 19, 32's & 40's	s. d. 35 0	s. d. 35 0
„ 38 in. ditto, 38 yds., 18 × 16, 10 lb.	13 2	13 2
„ 39 in. ditto, 37½ yds., 16 × 15, 8½ lb.	12 2	12 2
FLAX (per ton)—	£ s.	£ s.
Livonian ZK	Nom.	Nom.
Pernau HD	Nom.	Nom.
HEMP (per ton)—Manilla, spot J2 "	26/0/0	26/0/0
JUTE (per ton)—		
Dabee 2/3, c.i.f. Dundee, Nov.-Dec. (new)	27/10/0	28 0
	s. d.	s. d.
Common 8 lb. cops (per spindle)	4 4	4 4
10½/40 Hessians, per yd.	0 5¾	0 5¾
8/40 Hessians, per yd.	0 4¼	0 4¼
SISAL (per ton)—African, Jan.-Mar.—No. 1	£ s. 26 0	£ s. 26 0
WOOL (per lb.)—	d.	d.
Lincoln wethers, washed	19¼	19¼
Selected blackfaced, greasy	14	14
Australian scrd. fleece, 70's	37	37
Cape scrd. average snow white	39¼	39¼
N.Z. scrd. 2nd pieces, 50-56's	24	24
Tops—		
64's warp	45	45
56's super carded	39	39
48's average carded	31	31
44's prepared	29¼	29¼
MINERALS		
COAL (per ton)—	s. d.	s. d.
Welsh, best Admiralty	31 7	31 7
	32 4	32 4
Durham, best gas, f.o.b. Tyne	27 0½	27 0½
IRON AND STEEL (per ton)—		
Pig, Cleveland No. 3, d/d	128 0	128 0
Bars, Middlesbrough	312 6	312 6
Steel rails, heavy	290 6	290 6
Tinplates (home, l.c. 14 × 20)	29 9	29 9
NON-FERROUS METALS (per ton)—		
Copper (*c*)—Electrolytic	62/0/0	62/0/0
Tin—Standard cash	257/0/0	256/5 0
	257/0/0	256/10 0
Three months	258/0/0	257/10 0
	258/5/0	257/15 0
Lead (*d*)—Soft foreign, cash	25/0/0	25/0/0
Spelter (*d*)—G.O.B., spot	25/15/0	25/15/0
Aluminium, ingots and bars	110 0/0	110 0/0
Nickel, home delivery	190/0/0	190 0/0
	195/0/0	195/0/0
Antimony, Chinese	85/0/0	85/0/0
Wolfram, Empire per unit	2/10/0	2/10/0
Platinum, refined per oz.	9/0/0	9/0/0
Quicksilver per 76 lb.	48/0/0	48/0/0
GOLD, per fine ounce	168 0	168 0
SILVER (per ounce)—	s. d.	s. d.
Cash	1 11⅛	1 11⅛
MISCELLANEOUS		
CEMENT, best Eng. Portland, d/d site, London area, in paper bags or jute sacks 20 to ton—(*a*).	s. d.	s. d.
4-ton loads and upwards per ton	49 6	49 6
CHEMICALS—		
Acid, Oxalic, net per ton	59/5/0	59/5/0
	s. d.	s. d.
„ Tartaric, English, less 5% lb.	2 6½	2 6½
Ammonia, Sulphate per ton	9/19/0	10/0/6
Nitrate of Soda per ton	13/10/0	13/10/0
Potash, Sulphate per ton	Nom.	Nom.
Soda Bicarb. per ton	11/0/0	11/0/0
Soda Crystals per ton	5/0/0	5/0/0
	5/5/0	5/5/0
COPRA (per ton)—S.D. Straits, c.i.f.	12/10/0	12/10/0
HIDES (per lb.)—	s. d.	s. d.
Wet salted Australian, Queensland 40/50 lb.	0 5½	0 5¾
Cape, Jo'burg Ord.	0 6	0 6
Dry Capes, 18/20 lb.	0 7½	0 7½
English & Welsh Market Hides—		
Best heavy ox and heifer	0 5¾	0 5¾
	0 7½	0 7½
LEATHER (per lb.)—		
Sole Bends, 8/14 lb.	1 9	2 0
	4 0	4 0
Shoulders	1 0	1 0
	2 2	2 2
Insole Bellies	0 7½	0 7½
	1 4	1 4
Dressing Hides	2 0	2 0
	2 6	2 6
PETROLEUM PRODUCTS (per gal.)		
Motor Spirit, England & Wales	1 9	1 9
(*b*) Kerosene, Burning Oil	0 11	0 11
„ Vaporising Oil	0 11½	0 11½
(*b*) Automotive gas oil, in bulk, ex road tank waggons	1 6½	1 6½
Fuel oil, in bulk, ex instal. Thames—		
Furnace	0 7½	0 7½
Diesel	0 8½	0 8½
ROSIN (per ton)—American	25/0/0	25/0/0
	30/0/0	30/0/0
RUBBER (per lb.)—	s. d.	s. d.
St. ribbed smoked sheet	1 0½	1 0⅝
SHELLAC (per ton)—TN Orange	87/10/0	86/0/0
TALLOW (per cwt.)London Town—	22 10	22 10
VEGETABLE OILS (per ton net)—		
Linseed, raw	41/10/0	41/10/0
Rape, crude	44/5/0	44/5/0
Cotton-seed, crude	31/2/6	31/2/6
Coconut, crude	28/2/6	28/2/6
Palm	20/15/0	20/15/0
Oil Cakes, Linseed, Indian	7/15/0	7/15/0
Oil Seeds, Linseed—		
La Plata (new)	11/10/0	11/10/0
Calcutta	18/11/3	18/11/3

(*a*) + 6s. per ton net paper bags, jute sacks, charged 1s. 9d. credited 1s. 6d. on return. (*b*) Higher Pool prices in some zones. (*c*) Price is at buyers' premises.
(*d*) Including import duty and delivery charges (*e*) Average weeks ended Jan. 25th and Feb. 1st.

OVERSEAS TRADE RETURNS

TOTAL IMPORTS (Value C.I.F.)	Month ended December 31		Twelve Months ended December 31	
	1939	1940	1939	1940
I.—*Food, Drink and Tobacco*—	£	£	£	£
Grain and Flour	6,355,300	5,706,281	55,446,208	93,859,241
Feeding-stuffs for Animals	494,121	352,879	8,935,947	8,374,166
Animals and Meat	11,524,499	6,537,839	104,290,127	107,966,984
Dairy Produce	8,560,402	4,826,431	75,847,711	62,628,680
Fresh Fruit and Vegetables	2,875,045	650,066	34,992,123	27,304,012
Beverages	4,578,772	2,641,170	40,541,079	45,870,647
Other Food	7,898,437	4,006,800	64,716,378	66,167,123
Tobacco	517,100	319,020	13,597,922	8,832,900
Total, Class I	42,803,676	25,040,486	398,367,495	421,003,753
II.—*Raw Materials and Articles Mainly Unmanufactured*—				
Iron Ore and Scrap	878,285	1,032,324	9,699,807	16,555,718
Non-Ferr. Ores and Scrap	1,954,285	1,726,562	17,850,114	24,613,153
Wood and Timber	2,321,171	2,685,409	37,128,694	37,098,681
Raw Cotton and Waste	5,074,856	2,074,874	34,180,457	49,952,619
Wool, Raw, Waste and Rags	2,139,428	2,677,694	40,426,722	67,096,592
Other Textile Materials	1,869,956	954,330	15,291,601	24,287,952
Oil Seeds and Nuts	2,883,971	2,416,583	30,908,725	44,721,449
Hides and Skins Undressed	1,622,819	688,320	15,465,036	15,653,251
Paper-making Materials	2,074,888	594,690	15,068,076	13,133,829
Rubber	954,460	2,116,889	9,463,717	23,735,185
Miscellaneous Materials	1,403,659	1,368,137	14,580,551	19,646,774
Total, Class II	23,177,778	18,335,812	240,663,500	336,495,203
III.—*Articles Wholly or Mainly Manufactured*—				
Iron and Steel Mfrs.	1,869,676	6,140,999	17,620,855	45,350,989
Non-Ferr. Metals and Mfrs.	3,903,178	4,949,377	38,695,897	57,427,803
Machinery	1,726,182	3,482,654	24,539,001	34,932,972
Chemicals, Drugs, etc.	1,469,446	915,009	15,920,189	17,069,227
Oils and Fats, Mftd.	4,966,086	5,193,813	45,702,348	72,890,697
Paper, Cardboard, etc.	1,419,807	626,337	15,666,149	16,285,552
Vehicles	210,730	5,581,765	7,948,735	32,775,201
Miscellaneous Articles	4,408,128	2,520,461	73,283,648	59,476,292
Total, Class III	19,973,233	29,410,415	239,376,822	336,208,733
IV.—*Animals, not for Food*	184,843	149,907	3,101,466	2,366,353
V.—*Parcel Post*	445,329	638,365	4,003,219	3,794,835
Total	86,584,859	73,574,985	885,512,502	1099 868,877

U.K. EXPORTS (Value F.O.B.)	Month ended December 31		Twelve Months ended December 31	
	1939	1940	1939	1940
I.—*Food, Drink and Tobacco*—	£	£	£	£
Beverages	2,020,381	1,140,324	15,945,471	19,612,019
Foods	1,221,374	490,366	14,762,714	8,953,602
Tobacco	603,642	297,953	5,012,699	4,786,844
Total, Class I	3,845,397	1,928,643	35,720,884	33,352,465
II.—*Raw Materials and Articles Mainly Unmanufactured*—				
Coal	3,508,118	678,872	38,258,793	25,323,426
Other Raw Materials	1,072,716	552,525	16,132,872	10,969,016
Total, Class II	4,580,834	1,231,397	54,391,665	36,292,442
III.—*Articles Wholly or Mainly Manufactured*—				
Coke and Manfd. Fuel	422,412	41,456	4,000,147	2,202,571
Pottery, Glass, Abrasives	975,027	763,989	9,453,228	11,503,555
Iron and Steel and Mfrs.	2,773,382	1,856,191	32,831,605	31,051,503
Non-Ferr. Metals and Mfrs.	827,940	684,511	12,653,561	12,399,783
Cutlery and Hardware	883,495	607,140	8,719,285	9,461,498
Elec. Goods and Apparatus	964,036	848,051	11,253,362	13,230,656
Machinery	3,653,780	1,889,184	47,398,109	36,575,053
Wood and Timber Mfrs.	108,853	29,596	1,056,714	745,931
Cotton Yarns and Mfrs.	4,095,442	3,327,249	49,092,349	49,332,523
Woollen Yarns and Mfrs.	2,418,740	1,741,504	26,654,327	28,691,520
Silk Yarns and Mfrs.	814,202	595,831	5,904,435	8,609,794
Other Textile Mfrs.	948,271	597,834	11,105,713	12,407,553
Apparel	803,437	365,629	8,251,598	7,514,673
Footwear	325,584	75,725	1,889,174	1,823,021
Chemicals, Drugs, etc.	2,487,270	1,529,754	22,788,185	27,669,786
Oils and Fats, Mftd.	294,773	174,037	4,742,616	2,985,410
Leather and Manufactures	399,235	226,732	4,098,944	3,691,530
Paper, Cardboard, etc.	706,740	560,842	6,696,018	9,859,160
Vehicles	2,812,364	3,271,623	39,644,502	32,738,492
Rubber Manufactures	181,012	76,471	1,450,721	1,885,883
Miscellaneous Articles	2,791,496	1,379,298	28,482,181	31,520,303
Total, Class III	30,587,491	20,642,647	338,166,774	335,960,196
IV.—*Animals, not for Food*	60,893	44,612	683,601	824,443
V.—*Parcel Post*	1,094,013	549,759	10,572,786	6,654,657
Total	40,168,628	24,397,058	439,535,710	413,084,205

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DOMINION OF CANADA

TWO-AND-A-HALF PER CENT. INSCRIBED STOCK, 1947

For the purpose of preparing the Interest Warrants due 1st April, 1941, on the above-mentioned Loan, the BALANCE will be STRUCK on the evening of 1st March, 1941, after which date the Stock will be transferred ex-dividend.

For BANK OF MONTREAL, Financial Agents of the Government of the Dominion of Canada in London.

EDWARD POPE,
Manager.

47 Threadneedle Street, E.C. 2.
1st February, 1941.

ASHANTI GOLDFIELDS CORPORATION LIMITED

NOTICE IS HEREBY GIVEN that a Final Dividend (No. 88) of 35 per cent., less Income Tax at 8s. 6d. in the £, has this day been RECOMMENDED on the issued Capital of the Corporation in respect of the year ended 30th September, 1940, and will be payable on and after the 26th March, 1941, to all Shareholders on the Registers on the 4th February, 1941.

The TRANSFER BOOKS will be CLOSED from the 5th to the 12th February, 1941, both dates inclusive, for the preparation of Dividend Lists.

By Order of the Board,

H. E. ASHBY, Manager and Secretary.

Temporary Registered Office:
St. Hilda's School, Bushey, Herts.
4th February, 1941.

BIBIANI (1927) LIMITED

NOTICE IS HEREBY GIVEN that a Dividend (No. 7) of 17½ per cent., less Income Tax at 6s. 1d. in the £, has this day been RECOMMENDED on the Capital of the Company in respect of the year ended 30th September, 1940, and will be payable on and after the 26th March, 1941, to all Members on the Registers on the 4th February, 1941.

The TRANSFER BOOKS will be CLOSED from 5th to 12th February, 1941, both dates inclusive, for the preparation of Dividend Lists.

By Order of the Board.

H. E. ASHBY, Secretary.

Temporary Registered Office:
St. Hilda's School, Bushey, Herts.
4th February, 1941.

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SHORTER COMMENTS

(*Continued from page* 191)

Canadian Pacific Railway.—Aggregate net earnings of the Canadian Pacific Railway for 1940 $35,639,000, an increase of $7,115,000 over 1939.

English Velvet and Cord Dyers' Association, Ltd.—Profit 1940, £57,399 (£40,014). To depreciation, £17,261 (£17,683). Debenture interest, £8,379 (£8,379). Surplus on realisation of investments, £4,791. Net profit, £31,759 (£13,752). Preference dividend 3½ years to end of 1940, £21,321. Ordinary dividend 2½ per cent. (nil). Carry forward, £14,286 (£5,312).

Peter Robinson, Ltd.—Proposals are under discussion for a moratorium in respect of debenture interest and sinking fund. Payment due on February 1st to be withheld.

Fison, Packard & Prentice.—Total profit of group for year to June 30th, 1940, £445,815 (£331,385). Taxation, £227,857 (£83,383). Ordinary dividend 10 per cent. repeated. Carry forward, £534,946 (£515,341).

Bell & Nicolson.—Trading profit, year 1940 (after taxation and bad debts), £41,032 (£48,578). Net profit, £35,877 (£43,625). Ordinary dividend unchanged at 14 per cent. Carry forward, £35,161 (£25,044).

General Engineering Co. (Radcliffe).—Net profit, year to November 30, £8,671 (£4,327), after taxation, £13,883 (£4,965). Ordinary dividend 15 per cent. against 10 per cent.

Barrow, Hepburn & Gale.—Ordinary dividend of 6 per cent. recommended for 1940 as in 1939. Net profits for 1940 £67,583 (£80,129 after £10,828 written off shares in subsidiaries).

United States Steel Corporation.—Net income, fourth quarter, 1940, $32,763,000 ($28,729,000). Total net income for 1940, $102,181,000 ($41,120,000).

Scottish Stockholders Investment Trust.—Net revenue for the year to November 30 £21,795 (£20,081). A dividend of 5½ per cent. is again paid on preference stock, £400 (against £200) is provided for taxation, and £11,655 is carried forward (against £10,060). Preference dividends remain 12 months in arrear. A valuation of the investments shows a depreciation of 27.1 per cent. (against 23.8 per cent.).

Ashanti Goldfields.—Aggregate profit year to September 30th, 1940, £1,408,333, against a gross profit of £1,721,294, and a net profit of £1,354,722 in 1938–9. Ordinary dividend reduced from 95 to 80 per cent.

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